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Bitter Debate Over Debates Leaves Bush And Clinton Still Offstage

By Paul F. Horvitz

WASHINGTON - Bitter haggling brokeout Wednesday between the campaigns of Governor Bill Clinton and President George Bush over proposals for televised presidential de-

At midafternoon, after a rapid exchange of facsimile letters, the two camps appeared no closer to compromise, despite a sharp reversal by Mr. Bush on Tuesday night, when he chal-lenged Mr. Clinion to debate on four successive Sundays after previously refusing to face the

On Wednesday, Mr. Bush's campaign chairman, Robert M. Teeter, asked his counterpart in the Clinton camp, Mickey Kantor, to arrange

Mr. Perot has spent heavily on his movement including fees to "volunteers." Page 3.

a meeting at any location "of your choosing." The president himself said, "We have offered to meet with Governor Clinton's campaign any-

Mr. Kantor responded by asking Mr. Teeter to appear Wednesday night in Washington at the offices of the hipartisan Commission on Presidential Debates.

They ought to meet with us, and the debate commission offered their offices," Mr. Kantor

said at a news briefing.

Mr. Teeter caustically rejected the overture, repeating the Bush camp's view that the commission, which arranged the 1988 presidential debates, must not be involved. He taunted: What are you afraid of?"

"This is a good, bold proposal," Mr. Bush declared in a televised interview Wednesday. "hi's captured the unagination of the whole

Later, he labeled Mr. Clinton "missing in action" on debates,

Mr. Clinton accused the president of "manipulation" for political gain by refusing to accept debates offered by the debate commis-

"Let's not wan two weeks," the Arkansas governor said. He immediately challenged Mr. bush to meet him Sunday in San Diego and on Oct. 15 in Richmond, Virginia, for two encounters scheduled by the commission, which constals of five Democrats and five Republicans. Later. CNN announced that Mr. Bush would

instead appear on a program Sunday evening The governor pointed out that the latest Bush proposal could conflict with live broadcasts of three baseball playoff and World Series games and that there was no guarantee that all major television networks would carry the debates.

t never tried to manipulate the format." Mr. Clinton said. "I never tried to manipulate the timing. I never tried to dodge the debates."

Mr. Bush called Tuesday for presidential debates on Oct. 11, Oct. 18, Oct. 25, and Nov. 1, the last one just two days before the election. The president said he would be happy to see Ross Perot join the debates if the Dallas businessman decided to enter the race as an independent candidate.

The Bush proposal was clearly designed to turn the tables on Mr. Clinton, who has been chiding the president for avoiding debates. It also see med calculated by Mr. Bush's top campaign strategist. James A. Baker 3d, to

See DEBATE, Page 8



President François Mitterrand, left, greeting Prime Minister John Major at the Elysée Palace in Paris on Wednesday.

In Eurobiz, 2-Track Is Not a Dirty Word

By Tom Redburn

nal Herald Tribune PARIS — Can a single market survive and rosper in a two-track Europe? That's what suropean business is about to find out.

At first glance, the question seems misplaced. fter all, nearly all the obstacles to the European Community's long-planned single market — the free flow of goods, money, services, and people across borders — have already been eliminated.

The hreakdown of Europe's lock-step march to a future economic and political union, which has split its member nations into different factions, will not prevent Europe 1992 from com-ing effectively into force on schedule at the end the year.

"The monetary turmoil has no influence on the pace at which we are advancing towards the single market," said an EC spokesman in Brus-

But a deeper look reveals a somewhat more troubling picture. The construction of Europe's

prosperous border-free market across 12 separate nations has been huilt on a foundation of exchange rate stability.

With exporters in Britain and Italy suddenly gaining a price advantage over their French and German rivals from the disruptive withdrawal of their currencies from Europe's exchange-mechanism, there is plenty of scope for renewed

"Before, businessmen and investors were adopting the view that there was an island of exchange-rate stability in Europe," said J. Paul Horne, the chief internacional economist for Smith Barney, Harris & Upham, "Today that island is under water."

The result is the potential return of several disruptive forces that could undermine support for the broad-based business compection that did so much to revive European economic growth in the latter half of the 1980s,

Spain, Portugal and Ireland, for example, have reintroduced, at least temporarily, partial exchange controls to defend their currencies.

The backlash against hureaucratic interference from Brussels, while a genuine expression of public sentiment, could also be used as a protectionist device to block enforcement of the standards of the single market.

In particular, Britain's withdrawal from the EC's exchange-rate mechanism and subsequent devaluation has sparked fears that it will no longer play by the unwritten rules of the single

"The Bridsh are trying to bave it both ways, getting all the advantages of being inside Europe without being willing to pay the price by maintaining a stable currency," Mr. Horne said. "Their export pricing advantage could turn into a substantial bone of contention."

So far, however, most hig businesses do not seem to be particularly worried by the apparent split of the EC into a fast lane for some countries and slower lanes for others. Whatever happens to the Maastricht treaty, they are

See EUROPE, Page 8

Fresh Attack Flattens Lira As Bank Run Startles Italy

Compiled by Our Staff From Dupatches LONDON — The lira plunged Wednesday in European trading, shattering the calm that had reigned since the Italian unit was bundled out of the European Commu-

nity's currency grid two weeks ago.

The Deutsche mark soared against the lira after market rumors that Rome planned to freeze bank deposits. The government strongly denied the talk, which led to a bank run.

Later in New York, the dollar fell against the mark, although it ended the day mixed against other major currencies. It rose to 1,224.00 lire from 1,199.50.

The strength of the mark did nothing to help Frankfurt stock prices, which hit a 1992 closing low, and London shares fell

on gloom over interest rates. (Page 11.)

The Italian currency lost more than 5 percent of its value against the German mark early Wednesday as swirling rumors about exchange controls or possible cuts in official interest rates triggered near panics selling.

The Deutsche mark surged to 877 lira from 845 Tuesday, although it ended below its intraday high of 893 lira. The dollar, meanwhile, rose to 1,224 lire in Milan from 1,199 on Tuesday, although the 115 currency lost ground against the U.S. currency loss ground against some other units after weak economic data on August housing starts reinforced the idea that an interest-rate cut was likely

later this week. With confidence faltering in the lira, it seemed that Italy would not be able to return the currency to the exchange-rate mechanism of the European Monetary System in the near future.

"It is going to have to float for a long while — probably several months yet — before we can think about a return," said Mario Noera, chief economist with Milan merchant bank Euromobiliare.

The numors of capital controls were fueled by reports of Italians withdrawing savings from local banks with many in the North seeking refuge for their funds over the border in Swiss and French banks.

Bankers, who said the move to withdraw cash and sell investment portfolios began last week, reported persistent rumors of plans for a 30 percent freeze on deposits. The Treasury, which has daily had to deny talk it planned to hit holders of

See LIRA, Page 12

Major Vows His Support Of Maastricht Won't Waver

Paris Favors London On Limiting EC's Power Over Internal Affairs

By Alan Riding
New York Times Service
PARIS — Eager 10 demonstrate that Britain is not once again out of step with its European Community partners, Prime Minister John Ma-jor flew to Paris on Wednesday to reassure President François Mitterrand that he remains fully committed to a new treaty on European

In exchange, Mr. Major won strong French backing for the idea of limiting the Community's power to interfere in the internal affairs of member states, a change that the British leader believes is necessary if the House of Commons is to ratify the union treaty.

The two men further sought to put to rest recent speculation about a "two-speed" Europe in which Germany, France and some other Community members would move toward monetary union without Britain

"We are absolutely at one," Mr. Major said. "The Community needs to move together as

But the German finance minister, Theo Waigel, said Wednesday that European countries with stable economies and currencies could make up a joint currency zone that would be the nucleus of a future Europe, Reuters reported from Bonn.

[Mr. Waigel said in an interview with the Nordkurier newspaper, made public ahead of publication Thursday, that he would not describe this as a two-speed development, but rather a Europe of concentric circles.

["I do not want to use the phrase 'two speeds," Mr. Waigel said, "But one thing is sure: there will be a Europe of concentric cir-

cles." A Finance Ministry spokesman con-firmed Mr. Waigel's statements.]
In a day of intense British diplomatic activi-ty, which included a dinner for Prime Minister Poul Schluter of Denmark in London on Wednesday night, Foreign Secretary Douglas Hurd also traveled to Bonn for talks with For-eign Minister Klaus Kinkel to patch up their governments' fraved relations. governments' frayed relations.

After a wave of speculation forced Britain to withdraw the pound from the Community's system of linked currencies and accept its de-valuation on Sept. 16, British officials angrily blamed high German interest rates and destabi-lizing remarks by the head of the German central bank.
On Wednesday, London and Bonn tried to

put this row behind them.

"The relationship between Britain and Germany sometimes runs into a rough patch," Mr. Hurd conceded. Mr. Kinkel added, "We have to see that we calm the waters now. We should not fall into hysterically talking up problems."

The union treaty, which sets out plans for adoption of common foreign and security policies and creation of a single currency by 1999, can only enter into effect after ratification by all 12 Community states. So far, it has been ratified by Ireland, Greece, Luxembourg and

France, hut it was rejected by Denmark.
With Britain currently holding the Community's rotating presidency, Wednesday's trips by Mr. Major and Mr. Hurd were presented as part of preparations for an emergency summit meeting in Birmingham on Oct. 16 when the 12. leaders hope to eliminate some of the problems still standing in the way of the treaty.

Among these is the problem caused by Denmark's narrow "no" to the treaty in a June referendum. Mr. Schlnter said Wednesday in London that the treaty could be put to a new referendum next year, but it would require "supplements" committing the Community to "less bureaucracy and more democracy."

After French voters only narrowly approved the treaty 10 days ago, other Community governments now also agree that it must be made more "people-friendly."

In a joint statement, Mr. Major and Mr. Mitterrand emphasized the Community's need to respect national identities and avoid unnecessary involvement in national affairs. They also argued that the Community's deci-

sion-making procedures should be "more open to public scrutiny" and that greater efforts should be made to demonstrate how the union treaty "would affect the lives of individual See TREATY, Page 8

As Somali Bands Fight and Loot, Starving Goes On "We need the United Nations forces, not

By Jane Perlez

New York Times Service
MOGADISHU, Somalia — From his sparsely furnished offices in the south of this destroyed and divided capital, General Mo-hammed Farrah Aidid, a Soviet-trained military officer who lays claim to being the rightful leader of Somalia, spends hours every day stitching together the frayed loyalties of clansmen who demand food and loot in exchange for their allegiance.

Six kilometers (four miles) away, past pot-holed streets lined with rubble, Ali Mahdi Mohammed, a mild-mannered hotelier who goes hy the title interim president of Somalia, drives from hot spot to hot spot in his northem enclave to negotiate, in a similar effort, with breakaway soldiers who mutiny over their payments.

In spite of the daily battles within their organizations, General Farrah Aidid and Mr. Mahdi Mohammed are the strongmen of Somalia's chaone, clan-hased society, each with the ability to call on more fighters, money and ammunition than anyone else. The war between them has made it impossible to deliver food to regions hit by a famine estimated to have killed more than 100,000 since

When the United Nations voted recently to send 3,000 soldiers to Somalia on top of the 500 already there but not deployed, the steely eyed General Farrah Aidid threatened to

send them home in body bags.
"We don't need outsiders," he said in a recent interview. "Withrour own troops and a police force reconstructed with the belp of the United Nations, we can look after the food. Since we have not been consulted in sending 3,000 troops to Somalia, it may be a matter of

The more conciliatory Mr. Mahdi Moham-med said he welcomed the UN forces, apparently believing that their presence would give him an extra measure of power. He already lays claim to the Somali seat at the United Nations - a claim that no other government recognizes - as a sign of his power.

only to protect the food," said Mr. Mahdi Mohammed, who drives around in the looted white Range Rover of the former British ambassador. "We want the United Nations to give us a hand in collecting and buying the arms. To bring law and order, we need outside force." The two men, both in their mid-50s, belong

to the same clan, the Hawiye, and conspired in January of last year to depose President Mohammed Siad Barre. After that, they fell out and used the men of their subclans to fight the war that destroyed Mogadishu earli-See CLAN, Page 8

Russian Capitalism: Entrepreneurial Zeal and a Pinch of Piracy

By Michael Dobbs

Washington Post Service
ST. PETERSBURG — With his blow-dried hair. Valentino suit and briefcase crammed with \$100 bills. Vyacheslav Kozyrijsky looks like a character out of "Dallas." But even J. R. Ewing might have found it difficult to match his talent for capital accumulation.

Back in 1986, when capitalism was still a dirty word in Russia, Mr. Kozyritsky was the manager of a humble state-owned restaurant. He took advantage of Mikhail S. Gorbachev's first economic reforms and rented a run-down bar on a heach by the Baltic Sea. The bar has since grown into a booming food conglomerate,

complete with cattle farm, hakery, shopping mall, restaurants and grocery stores.

"Everything is possible in Russia," boasted the self-made millionaire, flashing a wad of Western credit cards. "Russia is not Bulgaria or

First of two articles

Romania: It is one-sixth of the Earth's surface. There are untold riches and opportunities here,

if you know how to exploit them."

Mr. Kozyritsky's unabashed enthusiasm for Western luxuries and optimistic outlook on life typify a brash new social class: the capitalist entrepreneur. He is a product of a sudden hurch

millions of his fellow citizens below the poverty line but has given a small but growing minority a taste of previously unattainable affluence. Contemporary Russia, like Victorian Britain,

is rapidly becoming a land of two nations with very little in common. The rich measure their income ir dollars and drive about in newly imported Mercedes-Benzes, Volvos and BMWs. The poor struggle to maintain a minimum standard of living based on ruble salaries that are being eaten away by inflation.

For all the egalitarian pretensions of the world's first communist state, Russian society always has been divided into rich and poor.

Under communism, there was a top layer of hureaucrats, scientists and leading cultural figures who lived exceptionally well. But the privileges of the elite were kept well'

hidden from the rest of the population in a forhidden zone of special stores, special hous-ing and special health clinics. Many members of the old Communist Party aristocracy have now fallen on hard times.

Their vacation resorts and country homes have become the playgrounds of a new plutocracy made up of businessmen-hustlers with a penchant for conspicuous consumption. The gap between rich and poor is more visible -

"We have a lot of very poor people and a few very rich people," said Leonid Guzman, a gov-ernment adviser on social policy. "There is no recognized stairway from one group to the other. There is a widespread perception that the only way to become rich is through some kind of shady operation. This is very dangerous, because it means that most people have no incentive to work hard. If you are poor, you have no future."

The lack of an efficient taxadon system See CAPITAL, Page 6

Kiosk

Senate Approves Bosnia Military Aid

WASHINGTON (AP) — Turning up pressure on President George Bush to intervene in the former Yugoslavia, the Senate voted Wednesday to authorize U.S. military aid to Bosnia-Herzegovina. On a voice vote, senators said the current

Serbia, which has more than 1,000 tanks, armored vehicles and artillery pieces. The lawmakers adopted an amendment to the 1993 foreign aid bill offered by Senator Joseph Biden, a Democrat from Delaware,

calling for the United Nations to exempt

arms embargo on the region was serving only

to maintain a military imbalance in favor of

Bosnia from the arms embargo. The president would then be authorized to transfer to Bosnia up to \$50 million worth of weapons and other military equipment from Pentagon The \$14.1 billion aid bill still must go to a House-Senate conference, where the Bosnia provision may be dropped. The overall aid bill provises economic, development and military aid to U.S. friends and allies around

the world. Among major provisions are a five-year, \$10 billion loan guarantee for Israel to use in absorbing a flood of Jewish emigres from the

Dow Jones

former Soviet Union.

General News A final defense system in a Japanese nuclear plant

prevented a core melt-

Page 2. The U.S. returned Subic Bay Naval Station to the Philippines. Page 3. Yugoslavia appealed to the United Nations for winter

Health/Science Fevers have their good and their bad sides. Page 9.

U.S. new-home sales fell 6.2 percent in August, a five-month high. Page 11.

Page 9.

Down Down. 1.01% Up 4.86 3,271.66 The Dollar 1.4113 1.785 1.7865 Yen 119.90 119.245 4.7735

Trib Index

The Clandestine Epidemic

Depression Comes in Many Disguises And Often Eludes Correct Diagnosis

By Jane E. Brody

NEW YORK — The symptoms can run from headaches and chest pains to memory loss and extreme apathy. The diagnoses can range from heart disease to Alzheimer's. But the real cause 15 often depression, a disorder of epidemic proportions that is typically unrecognized, mis-

diagnosed or improperly treated. People who complain of depression are commonly admonished to snap out of it. Countless others with physical symptoms like recurring headaches or backaches never realize that their

complaints emanate from depression. As a result, many depressed people never bring their problems to medical attention. And when they do, they typically see doctors who are not specialists in mental health, who are likely to miss the diagnosis of severe depression at least half the time, according to a 1989 study by Rand Corp., a research institution in Santa Monica, California. The rate of misdiagnosis is even higher for the more common milder forms

Even when the diagnosis is correct and medication prescribed, it is frequently the wrong

drug or too low a dose. Such mistaken treatment, in turn, feeds into the popular notion that not much can be done about depression. But at least 80 percent of patients can obtain signifi-cant relief through modern anti-depressants and relatively brief psychotherapy. On Oct. 8. National Depression Screening

Day, psychiatrists and other mental health professionals in all 50 states will volunteer their time in an effort to uncover some of the millions of cases of undiagnosed depression. Free screenings for signs of clinical depression will be offered to an estimated 30,000 people at more than 300 hospitals, mental

health centers and college health services. Last year's screening day saved the lives of at least three people with strong suicidal feelings who required immediate hospitalization. More than half of the people screened, who, of course, were self-selected, were found to score

positive for depression. Although most depressed people get better on their own within six to 24 months without treatment, early diagnosis and treatment can

See DEPRESSION, Page 8



WAR HITS HOME — A Tajik fighter mourning the death of his brother, victim of a sniper Wednesday in Kurgan-Tyube as Tajikistan's civil war worsened. Page 6.

Fewer Quail, Fewer Bedouin and a Vanishing Way of Life

By Chris Hedges
New York Times Service

JUMAMA, Egypt - Dressed in a billowing white robe and carrying an old doohle-barreled shotgun Mohammed Issa padded softly in bare feet through the rolling white sand dunes along the Mediterranean

coast.

The 29-year-old Bedown hunter beat small stands of wood, surrounded at the base by fishnets, with a branch, trying to scare up birds resting in the shade. Suddenly a small, bulbous quail, startled by the movement, darted skyward and Issa swung his gun upward and let loose a hlast of birdshot. The quail plummeted onto the sand and lay flapping helplessly until the hunter slit its throat with a knife.

. The scene, repeated each September and October across North Africa when the birds migrate south from Europe for the winter, has become embedded in the spartan life of the desert nomads. Many families live off the sale of the birds, most of which are trapped alive in the nets, during the migration. Children with wooden cages filled with quail stand by the edge of the road offering the birds for \$I each to motorists.

But the skies that a century ago provided a hunter with hundreds of birds a day oow provide a few dozen. And the pristine beaches, where the men wait patiently in palm-thatched hots, are rapidly being gobbled op by developers who have already littered hundreds of miles of coastline with concrete bungalows and tawdry

Nuclear Close Call

At Japanese Plant

Final Defense System Works,

Preventing a Core Meltdown

to cool the reactor then caused another group of pumps to fail, Mr. Fujii said. He said plant operators

corrected their mistake within a

cally in the reactor, triggering its emergency shutdown system. At

that point, the emergency core cooling system automatically kicked in, pouring water into the reactor, officials said.

The reactor's fuel rods were nev-

er exposed during the accident, a company spokesman said. Earlier information had indicated the fuel

The fact that the fuel rods were

not exposed meant that the water

could continue to cool them and

prevent them from reaching the

dangerously high temperatures that could have caused a meltdown.

A meltdown could occur if a re-actor's rods heat to the point where

their wanium fuel starts to melt.

The uranium could then born through the containment building

housing the reactor. Once reaching

groundwater, it would flash imme-

diately into steam, releasing mas-

Because the water fell so rapidly

The water should oot keep fall-

ing like that," said Jinzaburo Ta-

kagi, a physicist who heads the Citizens' Nuclear Information Center,

an anti-nuclear group.

He said the incident could be

related to the age of the plant. Many of Japan's commercial ou-clear reactors, including the one in Fukushima, are about 20 years old.

A spokesman said the company

informed the prefecture shortly af-

ter the first three pumps shut down.

But he said Tokyo Electric did not

mention that the emergency cool-

ing system had been activated until the company and government ou-clear officials had finished an ini-

at the Fukushiwa plant, some Jap-anese ouclear specialists suspected

ity into the air.

a serious problem.

rods were half-exposed.

minute, but it was too late. The pump failure caused the lev-el of cooling water to fall dramati-

The Associated Press

· TOKYO - Operators at a nuclear power plant mistakenly flipped a switch that caused three

of a reactor's cooling pumps to fail, activating a final defense system to

prevent a core meltdown, a ouclear

No radiation was released in

Tuesday's emergency shutdown at the plant in Fukushima Prefecture, about 70 miles (112 kilometers) northwest of Tokyo, according to

Tokyo Electric Power Co., the own-

February 1991, when a small

amount of radioactivity was re-

leased. The emergency system, the

last reliable defense against a core

meltdown, pours cooling water

onto nuclear fuel rods to prevent them from reaching dangerously

Tokyo Electric was initially reluctant to acknowledge that the

emergency system had been trig-

gered at the Fukushima Nuclear

Plant, prompting sharp questions

from local officials. It did not say if

A spokesman for the company-

said the plant's No. 1 reactor auto-

matically shut down at 3:31 P.M.

Tuesday after three pumps failed

- two that condense steam for

recycling into the cooling system and another that pushes water into

The shutdown was caused by

plant operators who mistakenly

flipped a switch informing the

plant's control computer that a

backup water pump was operating, when it actually was not, said Ryuko Fujii, chief of the Ministry

of International Trade and Indus-

The computer then automatical-

The insufficient supply of water

ly shut off another pump, leaving only one supplying water to the reactor's cooling system.

try's ouclear safety division.

the reactor had been damaged.

high temperatures.

the reactor.

The incident was the first shutdown using the emergency core cooling system since Japan's worst nuclear accident, at Mihama in

official said Wednesday.

"We wonder if all this won't be over in three or four years," said Mikayed Ali, a Bedouin hunter. "Each year there are fewer birds and fewer areas to hunt."

Stands before them, and armies, including that of Alexander the Great, have nearly been swallowed up in the empty tracts.

Bedouin lamilies have built small concrete homes behind the beach developments and are raising sheep in the empty tracts. The decline in the quail hunt is emblematic of the

end of a way of life for the Bedouin across the Middle East. Most are succumbing to modern conveniences and the intrusion of the 20th century.

"Our world is changing." Abed Hussein Bekhater, 50, said as he watched the surf pound other-colored slabs of stone. "Only 10 years ago most of us lived slabs of stone. "Only 10 years ago most of us lived without contact with people from the outside. Now it seems we are surrounded by them. The change is good because it gives us money, water and electricity, but we can no longer live like before."

The Bedouin population in the Arab world has already dwindled to a few hundred thousand. As the culture dies it takes with it the bedrock of Arab coloure. Executing from the famed Arab haspitality

culture. Everything from the famed Arab hospitality to the rigid family ties is derived from the iron social

code that governs existence in the desert.

Every Bedouin must offer food and lodging for three days to a traveler entering his tent. Women, often left alone while the men hnot or herd the flocks, are forbidden to speak to anyone outside their tribe and must remain veiled, and chaste before marriage. Egypt's western desert covers two-thirds of the country, although nearly all of the 56 million Egyptians live along the fertile ribbon of land along the

The huge belts of sand inundate anything that

But new roads and construction seem to have samed the edges of the desert. And the Bedonin in Jumanus, 100 miles (160 kilometers) west of Alexandria, who have just sold their beach property to developers, are struggling to come to grips with the eventual disruption of their lives.

A large blue sign on the beach, not far from the wreck of a World War II warship, heraids the coming of the Birds of Paradise Resort. "Everything is as God wills," said Mohammed Issa.

holding a shotgun that once belonged to his grandfa-ther. "We can do nothing to stop this, but I shall miss the hunt and the peace of the beach. I hope when the houses come I will be able to find a small area to sit and catch quail."

The development has meant quick cash to Bedown tribes, who own much of the land along the coast. Some Bedonin also rent out plots to wealthy Egyptian and European hunters, who set up elaborate blinds and shoot dozens of birds with gleaming Italian shotguns. Greek hunters ship their cars over on ferries and stay for several weeks, free of the restrictions on

"We are becoming poor, while the Bedouin are becoming rich," said Dr. Mohammed Ahmed Abdellah, Alexandria's deputy in parliament.

A man weeping at a grave in Sarajevo on Wednesday as a grave digger looked on. The cemetery used to be a soccer field.

Yugoslav Army Pulling Out of Croatia

military chiefs of the Bosnian government

and rebel Serbs under the protection of the

The agreement on the Previaka Peninsula

'I don't wish to sound a note of suphoria,"

At the same time, he said to journalists,

"Don't anyone write this up as imminent peace and as if we have solved all the prob-

The United States, meanwhile, responding

to warnings of a severe winter, announced Wednesday that it was prepared to resume flights of food and medicine to Bosnia-Herze-

govina and would consider an appeal from Belgrade for delivery of home heating oil. The airlift would end a monthlong suspen-sion of flights even though the UN Security Council is still undecided on whether to im-

pose a "no-fly" zone over Bosnia-Herzegovi-

will formally bring the final withdrawal of the Yugoslav Army from Croatian territory.

Lord Owen said, "but it is a great deal better

than perhaps we might have hoped even a few

United Nations' protection force.

and goets. Many now drive pickup trucks.

But despite the financial gains the adjustment promises to be hard, even for those far from the desert

At midnight in the Beyassa neighborhood in Alex-andria, Abdeliah sat at a small wooden table outside the crowled King of Quail restaurant.

Cooks tended quail on an open grill and waved a feather fan to keep back the smoke. Stacks of wooden cages filled with birds sat by the restaurant door. Small boys with sticks walked in and out of the tables tapping the stone pavement to keep back the hungry cats lurking nearby.

For more than a century the narrow alleys in this old quarier have been traned over each fall to men who cook quait. The birds, smothered in a black pepper saoce, have become part of the seasonal traditions of the city, and both the elite and the working class sit under the open sky and pick at the meat with

"The birds are weak and are not transported easily to Cairo," Abdellah said as constituents came up to shake his hand or say a few words. "They have to be casen fresh, right after being killed. This is why you only find this kind of restsurant in Alexandria. It is

WORLD BRIEFS

A Veto Victory, and Defeat, for Bush

WASHINGTON (AP) — The House on Wednesday sustained and George Bush's veto of a bill requiring many businesses togive her workers time off in family leave hill was 258 to 169, leaving supportant well short of the two-thirds majority they needed to override Bush and cante the measure into law. The Senate voted last week to override The measure was strongly opposed by small-business lobbyists. Oppponents pointed to Mr. Bush's 1 Ith-hour alternative, \$500 million in tax credits for businesses that grant the unpaid leave to workers.

Entiler, the House voted, 345 to 74, to override Mr. Bush's veto of a bill positions conditions on renewal cent summer of China's most favored.

Earlier, the House voted, 5-5 to 7-4, to overtide our must a veto of a bill putting conditions on renewal oext summer of China's most laword-nation trade status. An override in the Senate, however, was soon as far less likely. Mr. Bush contends that normal trade status between the two countries is important to keep open channels from Beijing to the Wag.

UN Suspends Aid to Southern Sudan NAIROBI (Renters) -- The United Nations said on Wednesday that it

was pulling out of southern Sudan after a UN worker and a journalist were killed.

The coordinator of UN Operation Lifeline Sudan, Thomas Elval had that relief operations in areas near the town of Juba were closed UN information officials said the entire southern Sudan operation had been 'suspended until further ootice.'

The main faction of the rebel Sudan People's Liberation Army said in a statement on Tuesday that a splinter group had killed a Norwegian journalist, whose name it gave only as Helge, and a UN employee from Burma, Myint Moung, on Sunday. Two other aid workers were abduced. The United Nations said it was holding the rebel group fully responsible for the killings and for security of its staff.

Spassky Wins, Cutting Fischer's Lead

BELGRADE (AP) — Boris Spassky battled back against Bobby Fischer in their \$5 million chess rematch, decisively winning the 12th game Wednesday to cut Mr. Fischer's lead to 5-3.

It was their first game in Belgrade, the Yugoslav capital, in a contest being held in defiance of international sanctions against Yugoslavia. The two former champions played the first half of the match in the Montenegrin coastal resort of Sveti Stefan, then took a 10-day break. The \$3,35 million first prize goes to the first player to win 10 games, with the loser getting \$1.65 million.

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White Spassky	Black Fischer	White Spassky	Black Fischer	White Spassky	Hack Fischer	Sparsky Whete	Black Fische
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Mozambican Rebel to Go to Talks

ROME (Renters) - A rebel leader who pulled out of a deal to end Mozambique's 16-year civil war earlier this week was expected in Rome on Wednesday in a last-minute effort to save the accord.

Roman Catholic church mediators said the rebel leader, Afonso Dhlakama, head of the Mozambican National Resistance Movement, had changed his mind and would come to Rome for talks with the Mozambican president, Joaquin Chissano.

Italy scrapped the signing of an Oct, I peace agreement on Tuesday after Mr. Dhlakama objected to parts of the settlement and canceled his trip to Rome. Mr. Chissano had already arrived by the time Mr. Dhlakama pulled out

TRAVEL UPDATE

The British Mint issued a new, smaller, lighter 10-pence (18-cent) coin Wednesday. With the same design as the old 10 pence piece, it has a more pronounced milled edge to make it easier for blind people to recognize it. And in Sweden, the 10 ore (1.8 cent) coin, with virtually no purchasing

power left, is being taken out of circulation. (AP, Remers)
Spain has made changes in the length of stay permitted for American
citizens. Those traveling on passports for tourism, business or transit
purposes are allowed 90 days in Spain without a visa, instead of six
months as before. An American wishing to stay beyond the initial 90-day period must apply for an extension at a police station before the first authorized stay of 90 days has expired. Barring unusual circumstances, an

extension of 90 days will usually be granted. (AP)

A Muslim militant group in Egypt said Wednesday that foreign tourists should not visit Luxor, site of some of the country's most famous Pharaonic temples and tombs, because of clashes between militants and

Norwegian cabin personnel for the airline SAS canceled a threatened strike after an agreement was reached Wednesday for joh guarantees, a

union spokesman said.

Tourists visiting France increased by 11.4 percent in the first eight mouths of 1992. About 60,000 more tourists visited France between Jan.

Remers! and Aug. 31 this year than in the same period of 1991.

As Russia Goes Private, Confusion Rules the Marketplace

and the rump Yugoslavia anthoniced. Wednesday that the Yugoslav Army would pull out of the strategic Previaka Peninsula, which it has occupied for many months, by

The two presidents, Franjo Tudjman and

Dobrica Cosic, also agreed that their hostile

states, which emerged from the collapse of the old Communist Yugoslav federation,

would work toward mutual recognition, a

Yugoslavia now comprises only Serbia and

The text of the eight-point document was read to journalists by the international medi-

ator, Cyrus Vance, as the two presidents,

whose forces fought a war last year, stood

At the same time Lord Owen, with Mr.

Vance co-chairman of the Geneva conference

on former Yugoslavia, announced that the warring sides in Bosnia-Herzegovina had

agreed to talks on the demilitarization of the

republic's beleaguered capital, Sarajevo.

joint declaration said.

MOSCOW - Russians jammed telephone lines to brokers Wednesday, seeking to sell their privatization vouchers even before the government distributed them in its most ambitious economic reform.

Millions of the cream-colored vouchers, bearing a picture of the Russian parliament huilding sat stacked inside bank sales in preparation for the start of the program Distributed along with the

vouchers will be a government memo offering investment tips and advice to be wary of swindlers. It urged recipients to become share-holders in Russian industry. Many Russians were ignoring

the government's advice to keep the vouchers, however. Phones broke down at a key commodities exchange in Moscow after it was flooded with calls from people eager to unload them. Problems mounted even before

the first voucher was handed out: • The government is still printing the certificates. There were only 1.7 million vouchers in Moscow, a city of 9 million.

 Many state-owned factories and shops are still deciding how they should be privatized. Many large enterprises have been spared for now, and others went private before the vouchers were issued.

 Distribution could prove difficult in a country which has been unable to print and distribute enough cash to pay its workers for months in many remote regions. It appeared the government was concentrating on sending many vouchers initially to Siberia and the Far East while weather was favorable.

 Government opponents made the program the focus of their efforts to attack President Boris N. prisoners, the homeless and chil- privatization plan excludes munici-(\$40), about twice the average monthly wage, but their actual val-

Opposition leaders warned they would plummet in value, but a top government official said the vouchers already are worth 20 times more than their face value in some

The vouchers will allow people to purchase state-owned property at auctions or buy shares in mutual funds that invest in a variety of

The vouchers will be given to all however, remain off-limits to the Civie Union legislative faction, 148 million Russians, including fledgling investors for now. The during a recent debate. "It is rob-

dren born before Sept. I. They car-ry a face value of 10,000 rubles tions, defense installations, pipelines, and mineral resources and forests, which will remain under state control.

Croatian areas.

The air lifeline to Sarajevo, the Bosnian

capital, was suspended Sept. 3 after an Italian

relief plane was shot down by a surface-to-air

Richard A. Boucher, the State Department

spokesman, said Wednesday that U.S. mili-

tary planners had concluded it was safe to

Mr. Boucher played down any imminent

He said that countries had the right under

decision or any suggestion the United States

was lessening pressure on Serbia, which it blames for most of the lighting in Bosnia.

the sanctions to apply for humanitarian ex-ceptions and that "those have to be looked at

He stressed that the major factor was the fast-approaching winter. U.S. officials, confirming a report in The New York Times, said

the Central Intelligence Agency told the White House that 147,000 Bosnians could die

during the winter, assuming aid deliveries

by the sanctions committee."

Mr. Yeltsin's program puts Russia in the forefront of former Easteru bloc nations that are trying to undo the legacy of centralized planning and create a market economy. He created the plan with a presidential decree, and many lawmakers have complained that they should have been consulted.

ands that invest in a variety of "It is an anti-people privatiza-tion," said a hard-line lawmaker, Russia's most valuable assets, Mikhail Chelnokov, a leader of the

hing the people. It will help launder

(Reuters, AP)

There was much confusion about the voucher program, despite a government advertising campaign to explain capitalist principles to a people who were taught for seven decades that ownership was akin to exploitation

There is more log than clarity about the vouchers, a television commentator said Wedoesday

The government urged patience.
"Don't sell your check as soon as you get it," advises a memo to be distributed along with the vouchers. "During the first several months after receiving checks, the market price of the check might



North America

For investment information. read every Saturday in the HT.

Israeli to Confront Germans on Bigotry

JERUSALEM --- Amos Oz, the Israeli oovelist who is to receive a prestigious German peace prize, said Wednesday that he would use his visit to demand that the German peace move-"I intend to ask them quite bluntly: Where

are the tens of thousands of Germans who took to the streets to demonstrate against the Guif from Kuwait?" Mr. Oz said on Israeli radio.
"Where are they today when neo-Nazi racism and hooliganism is running wild in their streets?" he said.

Mr. Oz, 53, widely regarded as Israel's most distinguished novelist, will be at the Frankfurt Book Fair on Sunday to receive the German publishers' peace prize. The prize is awarded to those who have "contributed in an outstanding. namer to the realization of the concept of

peace."
Rita Süssmuth, president of the Bundestag has called on Germans to mark Saturday's amiversary of the unification of their country with an "impressive demonstration against hatred of foreigners, against racism and against the perficious evil of anti-Semitism." Mr. Oz said: "The fact that there are thugs,

zealots and neo-Nazis unfortunately is not special to Germany. Other countries have them too. What terrifies me is the relative indiffer-

ence of the government and society."
He said his nomination had stirred dissent in
the German radical left, "which doesn't see reality as we see it" about Israel's conflict with "In the German peace movement, as in gen-

ral in the European peace movements, there is a sentimental, very old foundation that embraces the Third World whether it's just or not, that is antagonistic to the United States whether it's just or not are it's just or not in the limit of the content in the c er it's just or not, and many times is antagonis-

Their perception of peace is emotional and sentimental. My perception of the Palestinians is 'make peace, oot love,' "he said, adding." We want to make peace with them because they're the enemy, not because they're the nice

ones in the story."

In Lyon on Wednesday, the German president, Richard Von Weizsäcker, said his country had no intention of ignoring the wave of racist attacks that has swept many of its cities and towns in the past weeks. We must remain vigilant about what is happening now," he said. "The racist and xeno-phobic attacks oow taking place are a warning

against the concentration camps to which similar attacks led in the past." The past year has seen a wave of attacks by

neo-Nazi youths against hostels for the thou-sands of asylum-seekers who have poured into the country from Fastern Europe.

German state interior ministers and top federal officials are to meet in Boun on Oct. 9 to

discuss ways of combating the wave of racism and anti-Semitism in the country. in Washington, a State Department official has defended the Germans to members of Congress who have criticized recent oco-Nazi flare-

world be damned" attitude about protecting German economic interests. The official, Thomas Niles, assistant secretary of state for European and Canadian affairs, said that "overwhelmingly, the German

people have come out strongly against this macceptable behavior." Such incidents as anti-foreigner demonstrations, attacks against refugee camps, burning of a Holocaust memorial and hate crimes by skin-

heads are "obviously of concern not only to us but to the Germans and friends of the Germans," Mr. Niles testified to the House subcommittee on European and Canadian affairs.

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Quayle Reminds Voters That He's No Preppy

DETROIT - Vice President Dan Quayle said Wednesday that he would be "at a big disadvantage" in vice presidential debates because he had gone to public schools rather than private schools like those attended by his opponent, Senator Al Gore.
"He grew up in Washington, D. C., and he's the son of a wealthy

U.S. senator," said Mr. Quayle, himself the grandson of the founder of the Pulliam newspaper chain.

"He went to the most expensive private schools in Washington, D.C., and I'm the product of the public schools," said the vice president, who attended public schools in Indiana and Arizona and a private university in Indiana, DePauw University. Mr. Gore attend-

ed St. Albans, an exclusive prep school, and Harvard University.
"I'm at a big disadvantage, but we'll do all right," Mr. Quayle said. Asked later whether he had been insulting public schools, Mr. Quayle said: "No. Public schools are going to do quite well." (AP)

The Confidence Gauge Says Bush Will Lose

NEW YORK - If the past is any guide, the Consumer Confidence survey by the Conference Board, a private research group, means President George Bush will lose the election.

In the 20 years since the group began gauging consumer sentiment, the party in office lost the presidential election when the group's confidence index read less than 100 this close to Election

On Tuesday, the group said its index for September registered 56.4. Following are Conference Board records:

DATE AND YEAR INDEX RESULT October 1972* Nixon re-elected October 1976* Ford defeated September 1980 Carter defeated September 1984 Reagan re-elected September 1988 **Bush** wins September 1992 *Survey was conducted bimonthly before 1977.

Bush Camp Accused of Shopping in Brazil

BALTIMORE — Union leaders have accused President George Bush's campaign of planning to buy more than \$1 million in campaign stickers and other paraphernalia from a Brazilian company, bypassing more expensive U.S. products and stealing U.S. jobs.

Bush campaign officials denied the accusation, saying that all

materials had been purchased from Spalding Co. in Louisville, Kentucky, with small purchases from other U.S. companies. At a meeting here of officials of the Communications Workers of America, the group's vice president, Bill Boarman, said that the Bush campaign had chosen a plastics manufacturer in Rio de Janeiro to

campaign-authorized items were U.S.-made. They said most of their

make suckers, flags and balloons.

He showed a videotape with a Brazilian newscaster saying in Portuguese that Mr. Bush's "public relations advisers" had passed up manufacturers in California, New York and Texas to buy cheaper

The Bush campaign's deputy press secretary, Tony Mitchell, said that an individual supporter might have ordered the Brazilian items, hut that it would have been done without campaign authorization.
"We are not aware of any such private individual," he said. (WP)

Perot Assails Women Reporters as Negative

WASHINGTON - After an appearance via satellite from Dallas on the "Today" television show this week, Ross Perot took the NBC Dallas hurean chief, Jim Cummins, aside to complain about rough treatment be said be had received from two correspondents, Kane

Later, as Mr. Cummins rode with Mr. Perot in the elevator, the Texas billionaire was still complaining about women reporters in general. He told Mr. Cummins that the reason women did negative

stories was because "they're trying to prove their manhood."

Asked later if Mr. Perot would care to comment on the NBC report, Sharon Holman, a Perot spokeswoman, said, "As Mr. Perot has stated, the only thing we intend to comment on is the issues.

Quote-Unquote

President George Bush on the issue of restricting handguns in the United States: "I believe the answer is not kind of trying to disarm people from guns, but to go after the criminals. And therein I have a fundamental difference with Governor Clinton."

Bush's Other Battle: Fending Off the Prophecy of Defeat



Governor Clinton at an Ohio State University rally. He assailed President Bush for helping U.S. firms move abroad, cutting U.S. jobs.

WASHINGTON - After weeks of waiting for the presidential campaign to tighten up, some political commentators are starting to say out loud what many have been whispering privately: that Gover-nor Bill Clinton seems to be headed for a landslide victory over President George Bush.

"Right now, it's a Clinton blowout," Jack Germond, a Baltimore Sun columnist, said on a television show last weekend.

"Clinton landslide in the makagreed Morton Kondracke of The New Republic.

With less than five weeks until the election, such predictions might seem premature. No debates bave been held, and each campaign has yet to spend the bulk of its television advertising budget. Mr. Clinton is ahead by 9 to 13 percentage points in the most recent polls, not an insurmountable lead. And Ross Perot may be about to

re-enter the race.

Still, news accounts and commentary portraying Mr. Clinton as being on the verge of victory could become a self-fulfilling prophecy. If Mr. Bush is perceived as being hopelessly hehind, it becomes harder for him to generate enthusiasm, raise money and draw crowds. There's a certain critical mass

convinces itself of who's going to win," said Robert Lichter, director of the Center for Media and Public Affairs, "If this becomes 'the story," it puts the losing candidate on the defensive and it becomes much harder for him to do what he needs to do. Bush will have to fend off this kind of defeatist reporting."

The tone of recent television reports has been consistently downbeat for Mr. Bush.

"The president is approaching the point where it will be hard for him to win without some major political upheaval." Jack Smith reported on "This Week With David Brinkley.

Newspapers and magazines also are starting to suggest a big Clinton

Since Mr. Clinton surged in the polls in July, most analysts have predicted that his lead would shrink once the Republican assault began in earnest.

But with the Democratic candidate running ahead or even in such traditionally Republican states as Connecticut, Indiana and Kansas. the conventional wisdom has begun 10 shift.

Marvin Kalh, director of the Barone Center on the Press, Poliues and Public Policy, said that the psychology of journalism was such that "week after week of a 10-plus lead" for Mr. Clinton had

Perot Has Spent Millions, Including Fees to Some 'Volunteers'

By Charles R. Babcock and Michael Isikoff Washington Past Service

WASHINGTON - Since he declined to enter the presidential campaign in mid-July, Ross Perot has spent more than \$7 million to sustain his political movement, including hiring temporary workers to help get his name on state ballots and paying consultant fees and salaries to "coordinators" whose advice he says will determine whether he jumps into the race as an inde-

Mr. Perot said he would annonnce his decision Thursday, based on the wishes of what he called his corps of millions of volunteer supporters.

He and his top aides have repeatedly maintained that their political movement is a volunteer effort that sprang spontaneously from ordinary citizens who responded to the Texas businessman's initial offer to run when he appeared on the "Larry King Live" television show in February. "Keep in mind, this organization

is controlled by the bottom up. Mr. Perot has budgeted \$480,000 Mr. Perot told Mr. King on the a month, \$7,500 for each of 64 program this week. He told bow, offices in 50 states, a spokeswomafter he had decided against runstates." He added, "The volunteers

own this organization." Campaign finance reports

however, show that his cash has bankrolled the movement from the outset and that his Dallas headquarters has had a large role in running it ever since.

CBS News quoted an Aug. 5 letter from Orson Swindle, the head of the Perot volunteers, to state coordinators telling them to stop quarreling among themselves and "accept the appointed leadership." Mr. Swindle said in an interview

that the Dallas headquarters had selected some of the state coordinators because Mr. Perot's political group, United We Stand, America, was new and faced time constraints in getting him on all the state bal-

Since last March, Mr. Perot has personally donated more than \$16 million to the effort, nearly 90 percent of the \$18 million the committee has reported as donations through Angust. And four days after abandoning his presidential bid, be began writing checks, three totaling \$725,000, the campaign reports show.

an, Sharon Holman, said. The camning, his volunteers "proceeded to get my name on the ballot in all 50 the new group's 50 state coordinators received either consultant fees or salaries from the Perot Petition

The Perot state coordinators over the past two months include who have been on his payroll since expenses such as nearly \$250,000 in he withdrew in July include Nisbet Kendrick in Georgia, who received \$14.453; Bob Hayden in Califor-nia, who received \$7,866; Cindy time. Schultz in Wisconsin, who received \$7,500; Jim Serur in Texas, who Doubts on Support

Monday whether his supporters were paid or were volunteers, Mr. Perot said. "Oh, no, all of - virtually all of the state volunteers are volunteers. I'd say, you know, less than I percent of the people are on any kind of a compensation."

After he declined to run, Mr. Perot spent hundreds of thousands of dollars to place his name on the ballot in New York.

The paid workers were needed, a Perot volunteer, Hays Kirby, said at the time, because so many people were angry about Perot's reluctance to enter the race in July.

Some of the largest expenditures by the Perot Petition Committee United We Stand, America, the or-

office equipment, \$540,000 to MCI But he added that individuals for telephone service and \$718,000

received \$4,861, and Joan Vinson in Maryland, who received \$2,890.

Asked hy Mr. King on CNN Monday whether his supporters

Steven A. Holmes of The New York Times reported from Dallas:

As Mr. Perot awaits the word from his supporters, there are increasing signs that his grass-roots organization is neither as large nor as independent as be purports it to be and that the signs of support he cites may not be as strong as he claims.

In addition, interviews with state coordinators returning home indicate that the process being used to determine whether the grass-roots group will urge the Dallas billionaire to run seem weighted in ways that will ensure that he is told to enter the race.

For example, Matt Wickless, state coordinator for Nebraska, said his group would telephone supporters who had been active in

since he abandoned the race in

who worked to place Mr. Perot's name on the hallot in the state, and then became disillusioned when he dropped out, would not be polled. Some former Perot volunteers say the organization is little more

than a shell of its former self. When he pulled out, many volunteers stopped being active, and these former workers say the new group has done little to bring them back, even after the Texan hinted he would once again be an active candidate. Indeed, some say they have been kept at arms length.

The whole thing is a grand illusion," said Dawn Larson, a former county coordinator in Oswego, Illinois, a rural part of the state southwest of Chicago,
Ms. Larson said the Illinois state

coordinator for United We Stand, America, was recently quoted as having said the group would contact about 20,000 people to determine if Mr. Perot should again become a candidate.

"Even at the height of the peti-tion drive we had a list of 16,000 to 17,000 petition passers," said Ms. Larson, who is an elector for Mr. Perot in her state, "Most of us who actually were the ones who put him on the ballot have never given them our lists, and they have never asked

Russia Shuts 2d Reactor Producing Plutonium :

MOSCOW - Russia has shut down the second of two reactors

producing weapons-grade plutoniuni at a plant in the western Siberian city of Krasnovarsk, Itar-Tass news agency said. The first reactor was halted in early summer.

"Yet another page in the history of our country's military-industrial complex has been turned." Ital-Tass said. The reactors were huilt along the same lines as the Chernohyl complex in Ukraine, where the world's worst nuclear accident took

U.S. Returns Naval Base to Philippines

SUBIC BAY NAVAL STA-TION, Philippines — The U.S. Navy on Wednesday gave up most of what had been its largest base in Asia, and U.S. officials said the last American forces would leave this former colony by the end of No-

During a driving rain, the navy formally turned over the the Subic Bay hase to the Philippines. The 1,700 remaining U.S. troops withdrew to Cubi Point Naval Air Station on the western edge of the 62,000-acre (25,000-hectare) Suhic

Bay complex. U.S. Ambassador Richard Solomon said Cubi Point would revert to the Philippines on Nov. 24, when the last Americans would leave. The naval station and adjoining air base had been the linchpin of U.S. power in the Western Pacific.

"Today we are at the beginning

of a new era in international rela-tions when national power and in- 20,000 U.S. troops, civilian emfluence depend not on military strength alone but increasingly on economic performance," Mr. Solo-

Dewey captured the Spanish garri- deserted. son here in 1898 on his way to Manila, where he sank the Spanish fleet and seized the islands during the Spanish-American War.

Last year the Philippine Senate refused a new 10-year lease for Subic, and gave the Americans until the end of this year to leave.

The U.S. Air Force already had decided to abandon Clark Air Base, damaged during the 1991 eruption of Mount Pinatubo. Subie became the last U.S. garrison in a country that had been America's only foreign colony.

at the port. The turnover marked the end of an era steeped in American naval lined streets, crisply mowed lawns tary tradition. Commodore George and white buildings are virtually

ters) west of Manila, into a free

Taiwanese and Singaporean, have expressed interest in investing here to take advantage of the skilled the South China Sea.

troops conquered the Philippines in 1942 and established their own base at Suhic.

ployees and military dependents considered the bases an infringe ment on national sovereignty, although polls showed a majority apported retaining them.

The navy maintained its larges

overseas supply depot at Subic. During the base's long history, hundreds of thousands of American sailors and Marines served at Subic and aboard the warships that called regularly for repairs, resupply and liberty in Olongapo.

Many Filipmos, particularly the small but influential urban classes,

■ U.S. Quits Greenland Base The U.S. Air Force on Wednesday left the base of Soendre Stroemfjord, an autonomous Danish territory in southwest Greenland, official sources said. The base, huilt in 1941, served as the main aerial communications center between Europe, Greenland and the North American continent for several years, Agence France-Presse reported from Nuuk, Green-

Thule in northwest Greenland

"Double points from October 25" to December 15."



"Christmas is coming early this year."

Away From the Hustings

· A satellite observed the largest Antarctic ozone hole ever detected nearly three times larger than the United States, according to the National Aeronautics and Space Administration. It said that measurements by the Total Ozone Mapping Spectrometer aboard the Nimbus-7 satellite showed that a depleted ozone area of the atmo-sphere extended for about 8.9 million square miles (about 23 million square kilometers) over the south polar region.

 Charitable contributions by corporations and foundations to causes in the United States sagged for the fourth year in a row in 1991, rising only 2 percent to an estimated 56 billion, the Council for Aid to Education said. The slow growth of charitable giving since 1988 stands in marked contrast with the previous 12 years, when corporate contributions grew at an average annual rate of 14.6 percent. The U.S. Navy said that a prototype V-22 Osprey tilt-rotor aircraft that crashed in the Potomac River in July had suffered an engine failure and fire when lubricating oil and transmission fluid inexplica-bly spilled into the engine during flight. Officials and the plane's manufacturer said the accident, which killed seven people, did not involve any flaw unique to the plane's exotic design, which allows it

to fly like an airplane but land and take off like a helicopter. The rise in comp sation for executives of nonprofit hospitals in the 1980s was one of the fastest-growing components of the overall rise in medical costs, with the annual earnings of a few executives at the most prestigious institutions approaching or exceeding \$1 million. A grand jury accused three New Jersey police officers of ambushing a teenage car-theft suspect in Newark and trying to cover up their actions after one of them fired a shot from an illegal pistol that

• Two strong earthquakes shook the Alentian Islands, causing only minor damage, a U.S. Geological Survey spokesman said.

 A fire raged in the El Dorado National Forest in California, destroying dozens of homes, foreing hundreds to evacuate the area and charring 11,500 acres (4,700 hectares), officials said.

• Doctors treating former Governor George C. Wallace of Alabama appear to have his blood infection under control, but he remains in critical condition with only a one-in-five chance of survival, the hospital said. The former governor, wounded in an assassination attempt 20 years ago while running for president, remained on a

lived on the base, whose population doubled when carrier groups called Now, the garrison's broad, tree-

Filipino officials plan to convert the area, about 50 miles (80 kilome-

port and industrial complex to provide jobs for the 41,000 Filipinos whose livelihood depended on it. Several major companies, mostly

labor force and natural harbor on President Theodore Roosevelt declared the Subic area a military reservation in 1904. Japanese

American troops recaptured Subic and nearby Olongapo in 1944. The base was expanded into a ma-jor facility after the Philippines gained independence in 1946.

The hase and the radars surrounding is lost strategic imporlance for the United States when a new U.S. radar base was erected in

The World's Rendezvous with Europe

On October 12th, the 31st installment of the IHT's highly acclaimed series of advertising sections on the New Europe will focus on

TELECOMMUNICATIONS

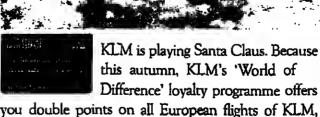
Among the topics to be covered are:

Country-by-country reports on telecom deregulation and other developments.

Telecom research and development. Satellite communications.

Financing East European telecom. U.S. telecom firms in Europe.

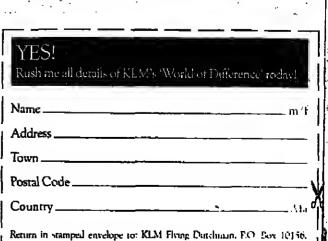
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Still Waiting for Perot

There was never a question about Ross Perot's appeal to millions of disenchanted Americans, or about his ability to articulate widespread frustration with economic decline and political stalemate. The big question about him was always this: Is he fit to lead? As Mr. Perot flirts shamelessly with a late re-entry into the presidential race, that question burns more brightly than ever.

He would best serve the naoon by not running at all. He has no chance of winning, and his eleventh-hour entry may only confuse an increasingly sharp battle between two candidates who, unlike him, have stayed the course. But if he goes through with the charace of honoring a "summons" from his handpicked supporters, he will have a final chance to display the political courage that he has conspicuously failed to show during his quixotic and self-indulgent journey.

Ross Perot certainly has not lost his ca-pacity to inspire political fear. Witness Monday's obsequious pilgrimage to Dallas by high-level emissaries from President George Bush and Governor Bill Clinton. Their task was to persuade him and his 50 state coordinators that they share his conabout the federal budget deficit.

The state coordinators said they were not impressed, and chances are that in a few days they will return to Dallas and remiade Mr. Perot to run. At which was us ques

......... will begin anew - although he will have artfully reduced the time in which to ask them to less than five weeks. There were, to begin with, questions of

character. Reporters dug up impressive evi-

dence of his penchant for espionage and

intimidation. There were questions about his willingness to seek favors from the Washington establishment he professed to despise; and questions about his theories of governance — particularly his devotion to an "electronic town hall" that would bypass the constitutional powers of Congress. Maddeningly, he refused to adopt and

defend a set of reasonably clear policy proposals. He was contemptuous of reporters who wanted to know his positions on everything from mosquitoes to ants." He promised to produce a platform within 60 days, then reneged. He finally produced a detailed economic program — but only after withdrawing from the race.

So bere is one more question for the next phase of the Perot campaign, assuming there is one. Is he willing to take his ideas to the people? His economic program is de-tailed in a book called "United We Stand: How We Can Take Back Our Country," It calls for higher taxes for many Americans. new taxes on some beneficiaries of entitlement programs, sharp limits on deductions for mortgage interest and cuts in many

federal programs. These are powerful ideas. To many economists, they would reduce the deficit too fast, causing economic harm during a recession. To many pundits they are political suicide. Still, they are worthy of

Jebate. But all Ross Perot has really done is wave the book at talk show audi ences and say "Read this," while asking Bill Clinton and George Bush to do the dirty work. That is not leadership. So far, as Lyndon Johnson might have said, Mr. Perot has been "all hat and no cattle."

- THE NEW YORK TIMES.

Regardless of how high the yen rises, com-panies like Toyota and Sony obviously will not be driven from global markets. Quality

prepared for the yen's rise.

boom. The stock market is depressed. Banks face buge loan losses. Business investment and profits are down. A sudden jolt to exports

could deepen Japan's slump — and worsen the prospects for a global economic recovery. The truth is that Japan is not prepared for

the unit is that alphan to the prepared for the collapse of its speculative boom — "the bubble economy." There is a desperate need to find a new engine of economic growth to replace exports. For years, Japan has been

urged to adopt policies that would stimulate

spending on housing and consumer goods. Little has been done.

Wish Japan Luck in Preventing an Untimely Slump

OPINION

WASHINGTON — It's the yea's turn. Europe has had its exchange rate up-neavals. Now the Japanese year is tising and By Robert J. Samuelson almost certainly will continue to rise. This is a products and efficient manufacturing are the bedrocks of their success. But a cheap yen magnified these strengths, and without it momentous event. A cheap yen has played a critical role in Japan's staggering export suc-cess. As the yen rises, this extra (and partially unfair) advantage will vanish.

Japanese products will become more expenmany smaller companies will not be competi-tive internationally. Even the giants will find gains harder to make. To see why, consider how skewed exchange rates beiped Japan.

sive on world markets. The great glory days of Japanese exporters may be past. Boavo. Japan's In theory, exchange rates offset differences huge trade surpluses have generated worldwide resentment. Both might now abate.

But there's a hitch: Japan's economy is already at a standstill. It is suffering from the aftershock of cheap credit and a speculative in costs between countries. Suppose Japan and the United States both make widgets. America's cost is \$1 per widget: Japan's is 200 The truth is that Japan is not

America's cost is \$1 per widget: Japan's is 200 yen. An exchange rate of \$1 to 100 yen equalizes costs in global markets. Suppose now that America's cost rises to \$2 per widget. For its widgets to stay compenitive, the exchange rate has to go to \$1 to 100 yen. At the old rate, America's widgets cost \$2 and Japan's \$1.

This is what happened in the 1980s. U.S. costs rose faster than Japan's, but exchange rates did not compensate. The yen should have risen. In fact it fell between 1978 and 1985. In that period U.S. manufacturing costs texpressed in dollars) tropped 10 percent. pan's costs (in dollars) dropped 10 percent. After 1985 the ven did rise, but not enough to offset cost differences completely. By 1990,

America's costs were up 54 percent from 1978;
Japan's were up (in dollars) 47 percent.

Even if all American widgets were as good as Japanese widgets — and they weren't —
U.S. companies were at a big disadvantage.

To gain sales, the Japanese could cut prices,
U.S. companies either could not sell or had to someone their profits.

squeeze their profits. The main reason for skewed exchange rates was Japan's massive new investments over-

seas. Normally, Japan's large trade surpluses would have caused the yen to rise. Exporters would have sold the dollars carned abroad to buy yen in spend at home. The dollar would have dropped, and the yen would have in-creased. But this adjustment was neutralized by the demand for dollars to invest abroad. In the 1980s, Japan's long-term investments in foreign stocks, bonds, factories and real estate totaled \$642 billion.

This hage outflow has now all but balted. Meanwhile, the big trade surpluses remain. So the tendency is for the ven to rise in value: It takes fewer yen to buy a dullar. In March it was 133 to the dollar. Now it is about 119. Fred Bergsten of the Institute for International Economics thinks it could go as far as 100 to the dollar. Japanese exporters will have to raise prices (because each dollar they earn buys fewer yen to cover costs), accept lower

profits or stop exporting. Even in the mid-1980s, many Japanese business and government leaders worried that a rising ven would suffocate export growth. But the response was cheap credit. The Bank of Japan's discount rate dropped to 2.5 percent. This spawned the speculative boom in office buildings, factories and the stock market. It also encouraged overseas investment. Japanese companies could borrow funds inexpensively in yen and convert to dollars.

Instead Japan should have reformed its archaic land policies. Zoning laws inhibit high-rise construction in many cities: tax laws discourage landholders from selling property. All this aggravates Jupan's natural land scarcity. Overhauling these policies would have created a sustainable construction boom and addressed Japan's most pressing social need:

more spacious and affordable housing. But only cosmetic tax changes were made.

The opportunity may now have been missed in a new book ("The Bubble Economy"). Christopher Wood of The Economist notes that Japan faces a dilerama. It should liberalize its land policies, but doing so now could worsen its banking crisis. More land would come onto the market, drying down real estate values and increasing banks' loan losses. Many of the banks' bad loans were

losses. Many of the banks' bad loans were made against land at widdy inflated prices. Public works spending is another possible source of erconomic stimulus. There are plenty of needs, large and small, Economist Edward Lincoln of the Brookings Institution reports that most subway stations lack escalators. With a rapidly aging population, this is more than an inconvenience.

In August the government announced an in August the government amounted an economic stimulus package of 10.7 trillion year about two-thirds is public works spending. The unemployment rate is still about 2 percent, and economists like Mr. Bergsten think that gas

comment spending can revive the economy be-fore the high ven hirts exports.

This would be a stroke of good luck. All of Japan's problems were to some extent fore-seeable. The fact that so little was done to prepare for the inevitable ought to puncture the myth of Japanese farsightedness.

But Americans should take no comfort from that Japan's economy is the world's second largest. It remains, despite all American complaints, one of America's higgest markets and helps drive other Asian economies. A sickly Japan would make it harder for others to stay healthy.

The Washington Post,

Test for a Piqued Chief

formidable leaders agreed to resume talks on a new democratic constitution than their jealous rival for the world's attention threw a tantrum. Chief Mangosuthn Buthelezi. leader of 7 million Zulus, stamped his feet Party, an ally in its campaigns against interand vowed not to take part in talks, elections or an interim government unless he gets more respect. His performance is not only pathetic, it is dangerous; the peril of inciting an ethnic bloodbath is every bit as palpable as Chief Buthelezi's wounded vanity.

He has every right to a hearing. But not to a veto of the historic compromise now reached by President F. W. de Klerk and Nelson Mandela's African National Congress. In agreeing to a general amnesty andopening the way to an interim government, the two leaders have ended four months of deadlock. With the whole nation moving from white rule to nonracial democracy, Chief Buthelezi would forfeit whatever reputation he has as a sensible conservative by playing the wrecker.

His reputation was already tarnished by disclosures that his Inkatha Freedom Party, vert aid from the South African government. This was in addition to the open

No sooner had South Africa's two most subsidies from Pretoria to the "self-govern-ormidable leaders agreed to resume talks ing" KwaZulo homeland of which Chief Buthelezi is chief minister

Inkatha has been viewed, with reason, as a parmer of Mr. de Klerk's ruling National national sanctions and against ANC radi-calism. Thus the main burden for nudging Chief Buthelezi back to the table has to fall on President de Klerk, Bnt Mr. Mandela's side bears some responsibility for the bloody fend between Inkatha and the ANC that has claimed thousands of lives. Just as Mr. de Klerk's white moderates have balked at accepting majority rule, so have ANC militants resisted changing from a liberation movement to a poblical party. Yielding to these militants, and to their contempt for Inkatha, Mr. Mandela resisted an early meeting with the Zulo chief. That was a mistake. A touch of emollient then might have saved much subsequent sorrow.

Chief Buthelezi, presiding in leopard skins before spear-carrying warriors, has made plain that any post-spariheid constitution has to be big enough to include his followers. based in Natal province, received past co- Now he has to prove himself big enough to

-THE NEW YORK TIMES.

The Shocks of September May Have Done Europe Some Good

WASHINGTON — Americans concerned about their country's vulnerability to foreign economic competition can take only modest comfort from the problems suddenly besetting the European Community's drive for greater unity. They should

hope not for a train wreck in Europe but for a rerouting and an overhaul of the overheated European engine known as the Maastricht treaty. In the short term, American and European interests have been served by September's turnoil in European foreign exchange markets and politi-cal parties. The Maastricht version of a United States of Europe will have to be revised to provide for greater decentralization and more democratic consultation if it is to win durable support from Britain and Germany. Longer-term U.S. interests lie in

the direction of an enlarged version of today's 12-nation Community that would increase world trade and provide the United States with a reliable, confident European political partner. That is the best way to handle one of the half-dozen fundamentally imBy Jim Hoagland

portant political challenges on the global agenda for the next decade; to bind the recently reunited German state to Western Europe in ways that temper Germany's historic ability, and will, to dominate its neighbors. The quest for a United States of

Europe has traditionally been more about politics — about removing the historic German-French conflict as a cause for war - than about forming a competing trading bloc. That basic point is too frequently obscured in The politics of trade is at the heart

of both the great debate now under ay in Europe about "Maastricht" and the signing in August of the North American Free Trade Agree-ment by the United States, Canada and Mexico. The politics of trade is rapidly becoming a driving force in shaping the livelihood and electoral choices of hundreds of millions of people around the globe.

In Europe, a consequence of the recent foreign exchange turmoil and

the narrow endorsement of the Maastricht treaty by French voters has been to legitimize opposition within the British cabinet and the ruling coalition in Germany to the treaty as written. The strength of the losing "no" vote in France, the country that has prided itself on pioneering European integration, may turn out to be more damaging to the centralized version of Europe outlined in the treaty than was the winning "no" vote cast by Danish voters in June.

Prime Minister John Major now faces a difficult task in imposing his pro-European sentiments on his cabioet and Parliament. He will play for time and for face-saving revisions or additions to the treaty, which already gives Britain the right to opt out of the controversial schedule for adopt-

ing a single Community currency.

Why should a good and true Conservative leader like Mr. Major contime to cling to Maastricht in the face of the damage done to the British pound and of mounting hostile pub-

lic opinion? He understands that the turmoil of September does not reflect a resurgence of economic nationalism in Europe, as Thatcherites claim.

We witness instead the death throes of a certain form of economic nationalism identified with mediumsized European states like France. Britain, Italy and Spain.

That nationalism was expressed through exchange controls, rigid pro-tection of domestic markets and crippling restrictions on multinational business. Those controls are disappearing inside the Community today as a global economy built on greater mobility of information, capital and goods consolidates markets and the

means of production.

The British, Italian and other Community currencies were bat-tered in September because EC states have given up the old tools of enforcing economic nationalism but have not yet achieved a federal basis for regulating currency values.

"All the national controls that existed before the Community did not prevent devaluations, economic cri-

be of even less use today," French Foreign Minister Roland Dumas told me in New York a few days ago. "We have always had wars of money. We are now moving to climinate wars of money. The German-French cooperation on the monetary from thows the way."

Mr. Dumas cited the successful combined effort by the central banks of France and Germany to support the franc's value against the speculators who sank the pound as proof that "French-German unity is very solid -it is much broader than forming a joint military force."

A Disunited States of Europe could yet emerge if the Brussels bureaucracy does not take public opinion more into account, and thus provokes a gennine resurgence of economic nationalism in the Community's member states. But the shocks of September may well have shunted the runaway Maastricht Express off that disastrous track and cleared the way for an outcome that Americans can appland.

The Washington Post.

Watching Over the Navy

seriously fouled up an inquiry into alleged convention were oot interviewed; impormisconduct by Marine Corps guards in the tant information concerning the conduct of U.S. Embassy in Moscow. In the course of that probe, four marines were arrested, but attention it required; reports were disorgaonly one was brought to trial and convicted of espionage. The others were subjected to long interrogations and signed confessions, which they later repudiated. Before it was over, the reputation of the U.S. ambassador in Moscow was damaged, a lot of expensive advocate general of the navy; the inspector equipment was replaced, and the competence of the NIS was called into question.
Far more serious was the 1989 fiasco

involving an explosion aboard the battleship fowa, which killed 47 crewmen. There the NIS conducted a thoroughly inadequate investigation, jumped to extraordinary conclusions on the basis of incompetent interviews and blamed the tragedy on a single sailor who they claimed committed snicide and indirectly killed all the others. This conclusion was so preposterous, so unfounded that it was rejected wholesale, which can have been of only small comfort to the family of the targeted serviceman.

Now the facts have been released about the NIS's latest failure, the conduct of the navy's initial investigation into the Tailhook affair. A report by the inspector general of the Department of Defense, released last Thursday, reviews that investigation and reveals that the problem with the service is right at the top. In addition to the fact that the admiral in charge of the organization appears to have nothing but contempt for women in the navy (he referred to them as go-go dancers, topiess dancers and hookers, and suggested that they were asking for the shocking harassment they received at the convention), it is clear that be was more concerned about protecting the navy as an institution, and the high-ranking officers and

civilians in the department, than about con-ducting a thorough and fair inquiry. Although the NIS's direct responsibility is limited to criminal conduct, the report criticizes its failure either to pursue les to alert other responsible officials to the growing body of evidence concerning such conduct as mass drunkenness, indecent exposure, sexual harassment and other offenses that did not involve physical assault. Information was not shared with other navy divisions investigating nonctiminal miscon-

the secretary of the navy was not given the nized and offered no comprehensive over-

of the NIS. The service will now be entirely

reorganized under civilian leadership. That is a good first step, but this third major failure of the organization demonstrates once again that a major shake-up and continuing oversight by the secretary and the responsible congressional committees are badly needed.

-THE WASHINGTON POST.

Other Comment

The suspension of President Fernando

portant political event in Brazil since the military regime ended in 1985. The 441 deputies who voted to impeach the head of state have performed a great service for their country and for democracy in general.

Corruption was solemnly denounced, which is not new, but it was also punished which is more interesting. Mr. Collor had been elected in 1989 to fight this very evil.

The country continues to suffer from a poorly controlled debt problem, and an enormous number of its people live in poverry. Brazil remains a fragile giant. But the political crisis born from the

not degenerate. Order was maintained Brazil has given a lesson to its neighbors,

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view of what had happened.

The Naval Investigative Service was not alone in dereliction of duty. Its commander has been allowed to retire, as has the judge The undersecretary, who was criticized in the report, will be allowed to remain. But it is clear that Desense Department investigators laid the primary blame at the doorstep

Brazil Offers a Lesson

Collor de Mello is probably the most im-

In a region known for its coups d'état and for the liberties taken with constitutional law, this is a happy event.

greed of President Collor and his family did

and perhaps to the rest of the world.

- Le Monde (Paris).

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Europeans Should Stop Criticizing and Thank the Bundesbank By Nicolas Krul

GENEVA — The Bundesbank can lay no claim to innocence for the events of the last few months. Its rigid pursuit of money supply tar-geting fails to take sufficient account of the structural changes in the market environment and of the role of the Deutsche mark in the new German hinterland. Some of the bank's statewas quick to doubt the sustainability

ments were disingenuous, perhaps Machiavellian, even as the European Monetary System was under siege. Yet to blame the Bundesbank for both the slowdown in Europe and the convulsions of the EMS would be misleading and counterproductive.

The facts are oever simple, but they do tell a tale. German policy had no part in creating the quagnire of debt that now retards recovery in North America. Britain, Japan and the Nordic countries. Nor is it responsible for the U.S. deficits or the overambitious ex-

W ASHINGTON — Everything in the Yugoslav conflict follows from Serbia's fundamental

goal of creating a larger, ethnically pure state. Only counterbalancing

force - Western air power, arms

and training for the Bosnians — can halt Serbian aggression.

lead to a lasting peace, by revers-

Hundreds of thousands

may die, and refugees

will destabilize Europe.

ing Serbian expansion. Conse-

quences will be much more tragic

in the former Yugoslavia if the United States and Western Europe do not oow intervenc militarily.

Thousands of people have al-ready been killed, and the refugee

ode is already causing strains in

Europe. If nothing is done, bundreds of thousands of innocent people may die, and the refugees will destabilize the Continent.

The conflict rolliners.

The conflict will spread throughout the Balkans, drawing in Islamic countries. Two NATO

members. Greece and Turkey, may

take opposite sides. Ultimately,

the West may be forced to inter-

vene militarily, but the cost rises

exponentially the longer we delay. Serbia has three short-run strate-

gie aims that it will not abandon.

unless it confronts a credible deter-

rent. First, it wants control of a

corridor across northern Bosnia linking Serbia and Serbian-occu-

pied areas of Croatia. Second, it

demands an eastern corridor along the Bosman-Montenegrin border,

Only a military standoff will

decided for sterling's entry in the exchange-rate mechanism in 1990. Indeed, the Bundesbank was an early and open critic of debt delusion -a party that many Germans would have loved to be invited to - and it

of a central rate of 2.95 marks that Britain chose for ERM entry. Similarly, the Bundesbank harped on the hard choices required to finance German unification, battled for wage restraint in both parts of Germany, and did not cease to nag publicly about Germany's budget deficits.

If the West Fails to Halt Serbia . . .

giving Beigrade access to its only naval base on the Adriatic. A Greater Serbia demands that "eth-nic cleansing" continue in these ar-eas until all non-Serbs are killed or

driven ont. Third, Serbia wants the

destruction of Sarajevo, symbol of multiethnic Bosnian statehood.

About 400,000 non-Serb Bosni-

ans remain in northern Bosnia. Most are in a pocket above Bihac in

the northwest, surrounded by Ser-

bian forces. Perhaps an additional 100,000 remain along the border with Montenegro. A "cleansing" of these areas leaves no one to object

to local puppet governments that work to "legitimize" a Greater Ser-bia. Although Serbian forces have

not fully consolidated control over these areas, they have advantages in

mobility and logistics. Given cur-

rent conditions, they will achieve

their aims over time. Nevertheless, in the north and

southeast, near the coast, some in-

tense fighting will continue. To the north, Croatia will try to break Bel-

grade's supply lines and cut off parts of Serbian-occupied Croatia. On the coast, Croatian forces do not intend to code control of the aills above Dubrovnik. Serbia as county set on descriptions.

equally set on denying Croatia con-trol of this region, which dominates

the entrance of the bay leading to

Serbia's only naval base.

A further 100,000 or so Bosni-

ans - Muslims and Croats as well

in Serbian concentration camps. A

typical camp consists of a cartle shed or other structure housing

about a thousand men on straw

pallets. Many die of sickness, bun-

ger and beatings; guards dispose of others in "recreational killings."

"disloyal" Serbs — are interned

Again it was the Bundesbank, starting in 1990, that sought realign-ment of the ERM in order to prevent or at least attenuate the predictable repercussions on Germany and its partners of an unbalanced policy mix. France and Britain resisted change rate that Britain unilaterally even at the economic meeting in

By George Kenney.

The writer was the State Department desk officer for Yugoslavia until Aug. 25, when he resigned in protest against U.S. policy. This is the first of two articles.

Bath, England, in early September, shortly before the exchange-rate mechanism was thrust from a state of endemic crisis into a full-pitched bat-

tle of impressive force. Unable to convert Washington or Chancellor Helmut Kohl, and deprived of the exchange rate tool, the undesbank had no choice but to keep the faith with its constitutional duty and raise interest rates to the level of discomfort.

This ought to inspire a more charitable view of the Bundesbank's endeavor to set exacting standards within a more flexible approach to European monetary integration. Instead, its policies are used to fuel a debate which assaults the goal of economic and monetary union by rocking the central pillar of the edifice.

The interest rate cut conceded by the Bundesbank in return for an in-

This winter, most internees will die

United Nations and the West will

continue to demand access to all

camps and supervision of camp con-ditions — demands that the Serbs

will continue largely to ignore. Pris-oners will be shifted from camp to camp in a shell game while Western

negotiators visit detainees in model

camps. Western governments will re-

The winter war may take up to 350,000 Bosnian lives. Freezing

temperatures will greatly help the

Serbian sieges around Sarajevo and other towns. Snow will close roads,

some only tracks across mountain-

sides. Cutbacks in humanitarian and food aid will burt; getting fuel

to the large towns will be nearly

impossible. Scores of besieged ham-

lets, whose names we do not know,

will be wiped off the map.

Belatedly, the West will acknowledge a defeat. Cynically citing humanitarian concerns, West-

ern diplomats will agree to terms with Serbian forces for a massive

exodus of Bosnians from concen-

tration camps and besieged areas to areas out of Bosnia.

Croatia will turn further refugees away. It has nowhere to put them,

nor can it afford them. Having little choice, hundreds of thousands will

pour across the borders of Austria, Germany and Italy, despite those

countries attempts to refuse asy-lum. Austria already views Yugo-

slav refugees as a threat to its na-

tional security. Germany and ftaly

in 1991, the Italian government was damaged by its inability to handle Albanian refugees; this new influx will add significantly to Italian political instability. Germany will face increased neo-Nazi violence.

The New York Times.

will soon share that view.

main loath to force access.

The International Red Cross, the

of exposure.

adequate devaluation of the lira is hailed as a promising bow to political pressure, or chastised as an ominous abdication, but rarely praised as an efficient act of central banking. The smallest possible interest rate reduction enabled the Bundesbank to send a clear signal of determination regarding its primary task, ahead of Mr. Kohl's proposals for a bipartisan German "solidarity pact." It also enabled the Bundesbank to preview the likely terms of Europe's passage to more efficient clearing prices, and thence to a higher level of output,

demand and employment.

As such, the decision fits a framework that is both German and European. It is German because even if the Bundesbank is independent of instructions from the federal government, it is obliged to support the latter's general economic policy un-less this creates a serious conflict with its primary mission of guarding the currency. It is European because the EMS is not yet a fixed rate system and there was no other way to give an economic rationale to the political decision to protect the system.

Then there is the matter of "style." The contrast between the Germanic proclivity for preventing disequilibri-um and the Anglo-Saxon penchant for curing it once it exists is often presented as the difference between an "authoritarian" and a "liberal" or "consensual" style of policy.

This issue is not new, as past controversies surrounding deregulation, monetary reform and capital market organization have shown. But it has taken a new twist with the conflict. between German interest rate policy and the growth aspirations of Germany's partners. "Authoritarian" has come to have a strong connotation of power, even abusive power. But the Bundesbank has come to

its preventive policy preference via a pragmatic cost/benefit analysis vali-dated by 40 years of outstanding eco-

its role as Europe's anchor.
Its resolve has been fortified as the

disproportion between its manage-ment resources and the power of the international financial markets grows. In its commitment to preventive policies, the Bundesbank has bred credibility, and it is this credibility that has made it an institution with which markets and governments tan-

gle at their peril. This debate could yet prove useful for the future of economic and monetary union. The repercussions of the German fiscal dilemma point up the need for fiscal policy coherence beyoud the merely protective rules framed in Maastricht. The issue had been emphasized in the Delors report on economic and monetary union, which paved the way for the Masstricht negotiations. But it was passed over in the treaty.

The manner in which the latest cusis erupted has sharpened concerns. about the ambiguous division of responsibility for exchange-rate policy. It is now clear that concessions extracted by national governments could well be the Achilles' heel of indepen-

dent European central banking.
Finally, it cannot be denied that
the intertwined lines of causality which link deregulation, innovation, technology and the entrepreneurial drive of financial intermediaries have brought forth a superstructure emthose of the central banks. Not all of the \$900 billion of daily foreign exchange transactions is hot money, but it will take a massive preventive effort to keep serious investors from becoming periodic speculators. If only for that lesson, the Bundesbank deserves thanks.

The writer is an independent advises to international investment institutions. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: An Attack on Jews

VIENNA — A serious conflict has occurred in the Commune of Kercke in Hungary. The house of a Jew had been on fire, and the Ruthenian neighbors lonked on with their hands in their pockets until the Mayor told them that own houses would burn down. They then helped extinguish the flames, but when a Greek Catho-ic priest mounted on the roof of the bouse and with a hatchet began to destroy it, the crowd stormed the house and destroyed all is contained. The Jews who attempted to interfere were bandled roughly and the notary who interceded on their behalf was threatened. When the gendarmes srrived, the Ruthenians were threatening to murder all the Jews. Numerous

1917: Busy Belligerents

arrests were made.

PARIS - The aerial activity of all the belligerents during the past week has been the most intense of the war, aero-

planes from Asia Minor to Great Brit-ain carrying death and destruction over an ever-widening zone. The Brit-ish bombed Beirut, the Italians Pola, the Austrians Ferrara. Squadrillas of German aeroplanes made four raids on London. Every night British naval and land aeroplanes have immediated tons of explosives upon objectives in Flanders, and along the whole western front by night and day the activity has been increasing.

1942: Hitler Is Ready LONDON -- From our New York'

edition:] Führer Adolf Hitler declared today [Sept. 30] that Garmany will cling to her war gains for the coming year, promised to take Stalingrad, and said he and his high command are constantly preparing for an Allied second front wherever it may strike. In a climb-down from his boast on a like occasion a year ago that the Russian power was crushed never to rise again. Hitler declared, "We shall emerge victorious." mily of 7 a manine i

tes, and hi MARKET ! Heats week tut beerst beeth gr ich stum

Serger Ch

A family of 7 were travelling from Europe through Asia on holiday.

They wanted to stop in 9 cities in 21 days using family budget hotels all the way.

The elder son, who ate only vegetarian meals, wanted to spend two days in Kathmandu, so he'd skip Yangon and catch up with them in Kuala Lumpur—except for Dad, who was flying straight on to Singapore for a meeting.

Oh yes, and he was on a strict, low cholesterol diet.

We managed to seat them all together when they flew and ensured their special meals were still sumptuous, except for young Christopher's, who hadn't cut his first tooth yet.

Singapore Airlines Ground Services. We're with you all the way.



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Worsening Civil War in Tajikistan Ensnares Russian Troops

By Steven Erlanger

MOSCOW - The civil war is worsening in Tajikistan, causing increased alarm in Moscow over 10,000 Russian troops who are caught in the middle.

Rissia sent 800 reinforcements this week to Dushanbe, capital of the Central Asian republic, hoping to end continued attacks on barracks and arms depots by combatants looking for weapons. There has also been new nervousness in neighboring Uzbekistan, where President Islam A. Karimov has scaled the border against refugees from the fighting and is increasing

Russian troops seized control of the airport in Dusbanbe, and shooting was reported around the city, Reuters reported Wednesday. quoting an army spokesman.

[Akbarsho Iskandarov, the acting president of the republic, said in two separate messages, to lead-ers of the Commonwealth of Inde-pendent States and the United Naions, that be was powerless to stop the fighting and was asking for help, the news agency Interfax said. ["The conflict in the south of

and, possibly, for the whole world community."]
After months of unrest, the Tajik

president, Rakhman Nabiyev, was forced to resign Sept. 7 by opposi-tion militia, who had cornered him at the Dushanbe airport. But his supporters baye continued to fight for him in the neighboring towns of Kulyab and Kurgan-Tyube, 80 ki-lometers 150 miles) south of Du-

In the last few days, local offi-cials say, several hundred people Tajikistan is growing," he said. "It have been killed in the region, and can have unpredictable conse-

controls on his political opposition. quences not only for Tajikistan but
Russian troops seized control of also for the Commonwealth states hostage, though all were eventually hostage, though all were eventually ed. Over the weekend, tanks and artillery were used in Kurgan-Tyube, and half the town was reported to be under the control of

pro-Nabiyev forces from Kulyab. Mr. Iskandarov, who bas been unable even to convene a new session of the parliament, sent a protest to Moscow about the use of tanks. But Russian officials said they had been seized from Russian depots. Mr. Iskandarov's provi-sional government, which took over after Mr. Nabiyev was forced to resign, controls only 20 percent of the state's territory.

Nabiyev side, and a new flight of ethnie Russians who bad been living in Tajikistan.

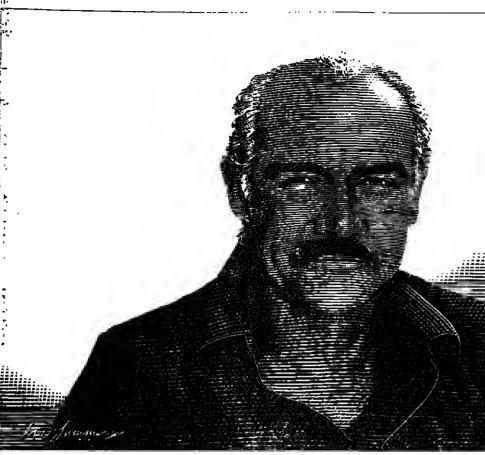
Fears of the unrest spreading to neighboring Uzbekistan — 24 per-cent of Tajikistan's population is ethnically Uzbek — has prompted Mr. Karimov, who fears Mr. Na-biyev's fate, to crack down on his opposition and seal the border to refugees from Tailkistan.

Like Mr. Karimov, Mr. Nabiyev was a creature of the old Soviet government and ran Tajikistan for

There has also been an influx of several hundred Tajik troops from Afghanistan, to fight on the anti-Nabiyev side and a new Richard Michael S. Gorbachev but redent Mikhail S. Gorbachev but r nev. He was moved aside hy President Mikhail S. Gorbachev but returned to power as Mr. Gorbachev's influence slipped. He was elected president in November in a vote reportedly touched by

fraud.

But Tajiks from the central plains and eastern mountains, who had been left out of Mr. Nabiyes's clan-dominated largesse, joined with urban democrats and religious leaders in mouths of creek democratical productions. leaders in months of street demonstrations and clashes that led to his forced resignation. He is now thought to be in his native region of Leninabad, in the northwest,



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Herald Eribune

CAPITAL: In Russia, Entrepreneurial Zeal Mixes With a Pinch of Piracy

(Continued from page 1)

makes it practically impossible to count the new rich. A consumer survey published in the business newspaper Kommersant estimated that 3 million people—roughly 2 percent of the population—live like middle-class Americans or Europeans. A disproportionate number of these people are concentrated in the Westernized cities of Moscow and St. Petersburg.

In St. Petersburg, the former czarist capital,

the contrast between the rich and the poor is particularly stark. The first-class botels, hardcurrency restaurants and luxury stores along Nevsky Prospekt provide a glittering facade for

'If this went on in America, America would have collapsed a long time ago.

a city of crumbling palaces, potholed streets and obsolete defense factories.

One of the favored hangouts for the new rich in St. Petersburg is the Hotel Astoria, newly restored to its former splendor. A group of local businessmen recently relaxed around the swimming pool in the hotel sauna, sipping German beer at \$5 apiece and talking about how they made their first million. None was willing to be identified hy his complete name.

There are at least 10,000 millionaires in this city, and you can count the oumber of com-pletely honest ones on the fingers of one hand," said Igor, a former foreign trade official in his forties. "The easiest way to make money here is to acquire a license for the export of raw materials. That means handing out a lot of money in

bribes to bureaucrats." His friend Sergei, who described himself as a "middleman," said: "Everything we do is aimed at a quick profit. We buy, we sell, and we get out. Only a fool would invest his money in a long-term business in Russia. There is no security bere, no guarantee that a different regime will not come to power and take it all away

The disintegration of the communist system of centralized distribution, along with the halting nature of the transition to capitalism, created vast opportunities for middlemen like Serbusinessman who purchases these goods at businessmen.

Russian prices and sells them at world prices can rapidly make a fortune.

The sums of money involved in the illegal exportation of raw materials are staggering. Russian law enforcement officials recently calculated that government bureaucrats receive more than \$100 million a year in bribes for issuing export licenses for oil and oil products. The government lost an estimated \$1 billion in the first half of this year because of illegal oil

exports.

Most of these illegally garnered profits are kept in foreign bank accounts, since it would be too risky to invest the money in Russia. Earlier this month, Reuters reported from Washington that Western monetary sources say Russian companies have stashed more than \$5 billion in foreign bank accounts.

There are many fake businesses and joint ventures bere," said Alexander Rudenko, a leading St. Petersburg businessman who owns a chain of restaurants and cafés. "They have a smart storefront somewhere, hut it is just a cover for the real business of buying and selling raw materials. If this went on in America, America would have collapsed a long time

Like virtually any businessman willing to speak on the record, Mr. Rudenko insisted that be had made his money perfectly legally. But he conceded that he is not above manipulating a very imperfect market from time to time. A few days ago, be said, he made a cool \$20,000

buying and selling rubles for bard currency. The secret of a successful business is to do something first and negocate for permission later," said Vladislav Gerasimov, a former So-viet Navy officer who bought the first private store in St. Petersburg at an auction.

Once a Russian businessman has made his pile, be is faced with the challenging task of anging onto it. The gap between rich and poor has been accompanied by a spiraling crime rate.

The new rich bave become the target of a new

Shortly after Mr. Kozyritsky opened his first Western-style grocery store, someone threw two hand grenades through the window. One of Mr. Gerasimov's stores has been set on fire.

in order to survive, let alone prosper, a businessman must reach an understanding with the local thugs. Some pay for "protection." Others set up their own security services to guard their premises day and night. A former employee of gei. Prices of raw materials such as oil, wood the KGB secret police can earn five times the and scrap metal are still kept artificially low. A average wage providing security services to

"To ensure my defense, I have created a state within a state," said Mr. Rudenko, a rough-bewn man in a leather jacket who worked as a stevedore before launching himself into private business. "I pay my friends to protect me and supply them with weapons. If I didn't do this, we wouldn't be sitting here now. It would all be

Mr. Rudenko's private army consists of 300 muscular young men, many of them former KGB employees. They are under instructions to react "very harshly" to anyone who gets in their

"What we are experiencing now is the prima-ry accumulation of capital," said Mikhail Gav-lin, a sociologist who has studied the emerging entrepreneurial class. "In this phase, everything is considered acceptable. It is a bit like the early 20th century in America. The Rockefellers were

probably not too fastidious about the way they acquired their money either."

But the growing disparity of wealth also has led to a dangerous rise in social tension. Many embers of the old middle class - doctors, teachers, engineers — now find themselves liv-ing below the poverty line. The newspapers are full of heart-wrenehing appeals for help from respectable citizens who now find themselves in

e posicion of paupers at the feast.
"The other day, they buried a mafia figure in our block," wrote Olga, a doctor from Ekaterinhurg, to the mass-circulation daily Komsomols-kaya Pravda. "You should have witnessed the

Everything we do is aimed at a quick profit. We buy, we sell, and we get out.

scene! More than 70 foreign cars, dreadful thick-necked individuals and their slenderlegged girlfriends dressed in black, who held roses and gorged themselves on bananas and

chocolates — while our children just watched."

"Meanwhile, our salaries are constantly late," she wrote, "or not paid at all. We are forced to deny our children basic necessities. All they get are potatoes. And next to our house, they have opened a striptease bar with a membership fee of 40,000 rubles."

That is a year's salary for the average Russian

Judge Rejects Charge Against Weinberger

WASHINGTON - A federal judge dismissed a key charge against former Defense Secretary Caspar W. Weinber-ger and threatened to remove the chief prosecutor from the Iran-contra perjury and obstruction case.

The five-count indicument returned in June against Mr. Weinberger was based on the discovery by prosecutors of daily diary and meeting notes that Mr. Weinberger kept and failed to disclose during earlier investigations. Using the notes and other evidence, prosecu-tors drafted the indictment as though it were a conspiracy case against senior Reagan administration officials.

Mr. Weinberger's lawyers had protested that this was preindicial. On Tuesday in U.S. District Court bere, Judge Thomas F. Hogan appeared to agree, saying "the indictment insinuates Ibat many high-ranking individuals participated in illegal activities and that the defendant was involved." He struck down the first count against Mr. Weinberger, which accused him of obstructing Congress by withholding his notes from congressional investigators in 1987.

Judge Hogan refused to dis-miss the other four counts against Mr. Weinberger, but warned that Lawrence E. Walsh, the independent counsel, may either have to get a new lead prosecutor or abandon the only other charge that is based on Mr. Weinberger's alleged lies about his notes.

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On the final day of his historic visit to China, President

Roh Tae Woo attended the signing ceremony with his Chinese counterpart, President Yang Shangkun, in Beijing's

Diaoyutai state guest house. The agreements covered trade

and investment and scientific and technological coopera-

After chatting amiably in the garden of the picturesque guest house, the two embraced before Mr. Roh left for

A joint communique described their talks during Mr.

Roh's four-day visit as friendly, and the official Chinese

news agency Xinhua said the trip had been fruitful and

Referring to the establishment of diplomatic relations last month that ended four decades of Cold War confrontation,

the communique said: "It is of great significance to peace

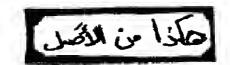
The Republic of Korea and China have now become

partners in shaping a Pacific age in the 21st century," he

and development in Asia and the world as a whole." In a separate statement, Mr. Roh said that although his visit was brief, "it has served as a catalyst for overcoming the

legacy of nearly half a century of separation."

Shanghai for a stopover on his way home.



South Koreans and Chinese Hail End of Hostilities



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Mr. Roh, left, embracing Mr. Yang on Wednesday in Beijing as the South Korean prepared to depart.

Nepal Official Blames Pilot Error in Jet Crash

And Singapore Compiled by Our Staff From Dispatches SINGAPORE - Electricity supplies were returning to normal in Singapore and parts of Malaysia Wednesday in the wake of a huge power failure.

In Malaysia, about half of the usual electric power had been restored to each Malaysia. Wednesday blamed pilot error for cians. this week's crash of a Pakistan In-

Power Is Back

In Malaysia

been restored to eight Malaythrough the mountains. . "The pilots made a big blunder," said Home Minister Sher Bahadur sian states by Wednesday evening. The rest was expected to be restored Thursday, said a Dupa of Nepal. But he later added. "Let an official investigation de-cide who is to be blamed." spokesman for Energy Malaysia Ltd. The outage Tuesday hit eight of the peninsula's 11 He rejected allegations that

Monday's crash, the second of an Airbus here since July 31, was due Singapore lost a third of its 2,700 megawatt electric power load, Deputy Prime Minister Lee Hsien Loong said that the accident, caused by a short cirthe pilots for the crash, the airline, the flight. cuit and faulty insulation, rein Islamabad, Pakistan, was denysuited in equipment damage of

about 12 to 15 million Singaradar system aboard the Airbus Apore dollars (\$7,5-\$9.3 -mil-lion). (Remers AP) 300 had been defective. (Reuters, AP)

KATMANDU, Nepal - A stabilization instrument, were not Nepalese government minister repaired correctly by airline techni-

The airline's public relations ternational Airlines Airbus, saying chief, Khalid Butt, said "everything the plane was flying too low as it was perfect" aboard flight PK268, approached Katmandu airport which crashed just 16 kilometers (10 miles) south of Katmandu, killing all 167 people aboard.

At the crash site Wednesday, sal-

vage workers found a loaded pistol in the wreckage of the plane, but ruled out initial suspicions that it could have belonged to a hijacker. The deputy manager of the Trib-

huvan airport, Narendra Ghimre, to lack of modern equipment at said the weapon possibly belonged to a Pakistani anti-hijacking com-While Mr. Dupa was blaming mando team traveling unlisted in "PIA informs us in advance of

ing Pakistani press reports that the 'the presence of three or four armed commandos on their flights," said Mr. Ghimre, adding that they nev-Sources quoted by the Pakistani er disembark from the planes in press said the alleged defects, Katman

BELIING -- The presidents of China and South Korea unleash a fresh tide of Korean investment in the booming toasted the end of their Cold War hostility with champagne Chinese economy. With legal protection, South Korea's huge on Wednesday after the two countries signed wide-ranging

industrial conglomerates are planning large projects. China is already South Korea's third-largest trading partner, and trade this year is expected to surge to about \$10 billion from \$5.8 billion in 1991.

Mr. Rob's visit was the first by a South Korean president to China and was the crowning achievement of his diploma-cy aimed at isolating rival North Korea by establishing ties with Pyongyang's friends in what remains of the Communist

China is North Korea's last important ally, and Seoul is counting on Beijing's support to steer Pyongyang toward reunification and away from any ambitions to acquire nucle-

On Monday, Mr. Yang warned Seoul against putting international pressure on Pyongyang, and Mr. Roh, apparently responding to Beijing's sensitivities, said Tuesday that the two sides had agreed that persuasion was best.

objectives, and I believe the Chinese side concurs with our position."

China evidently fears that if Pyongyang is backed into a corner it could retreat from its cautious opening to the world and become more dangerous.

North Korean economy.

■ A North Korean Shrug

In an interview at the United Nations with Don Obejdorfer of The Washington Post, Foreign Minister Kim Yong Nam of North Korea said his government was not concerned about the establishment of diplomatic relations between South Korea and China.

This is "nothing special," Mr. Kim said, adding that it did not matter to North Korea.

He maintained that China and North Korea continued to exchange views and visits and "keep each other informed." The senior North Korean diplomat expressed no interest in the proposals put forth by American officials, including James A. Baker 3d when he was the U.S. secretary of state, that the United States, Russia, China and Japan take advantage of the end of the Cold War to cooperate in advancing stability and reunification on the Korean Peninsula.

"The Korean issue strictly belongs to Koreans them-"By persuading North Korea to renounce the development of nuclear devices," Mr. Roh said, "we can achieve our could play is not to interfere in Korean affairs and not create any obstacles for both North and South Koreans to discuss and settle their issues themselves."

> If there is to be any external involvement, he added, it should encompass only the United States, which as been "historically directly involved" in Korean affairs.

EUROPEAN TOPICS

economic agreements.

Belgium Closes

Its Last Coal Mine

Belgium closed its last coal mine Wednesday, a victim of high mining costs and a switch in the country's energy supplies. The coal mine was in the small town of Zolder, in the northeast.

The only coal recovered in Beigium now will be from slag heaps. More than 60 percent of electricity in Belgium is now generated by nuclear energy.

We have to close the mine, there is no other choice," Peter Kluft, the head of mining company Kempense Steenkoolmijnen, told the newspaper La Libre Bel-

gique. The International Energy Agency estimates that in 1990, the government was paying a \$100 subsidy on each ton of coal produced in Belgium.

A century ago there were more than 300 coal mines in Belgium and in the 1950s the mines still camployed about 120,000 workers. The figure had dropped to about 2,200 this year. There were riots against the closure of Belgium's Zwartberg mine in 1966, and two miners died. This time about 1,400 miners held a peaceful demonstration Sunday in Brussels.

Irish Referendum On Divorce Ban

Ireland will hold a referendum on lifting the constitutional ban

on divorce, Padraig Flynn, the Irish justice minister, announced this week in a White Paper on Marital Breakdown.

Mr. Flynn said new legislation would address property rights and other family law issues before the vote on divorce. Concerns about a lack of financial arrangements for women after divorce were considered responsible in part for the overwhelming rejec-tion of divorce in a 1986 referen-

The Divorce Action Group welcomed the document, which outlined potential grounds for divorce, including absence of marital relations, separation for a minimum of five years, desertion or unreasonable behavior. Pro-divorce campaigners estimate that the ban affects 100,000 couples trapped in broken marriages. No date has been set for the referendum. The Irish will first have to vote in another divisive referendum about the constitutional ban on abortion. That vote, expected before the end of the year, was promised in April by Prime Minister Albert Reynolds following a case involving a 14-year-old girl who said she was raped and who was initially forbidden from seeking an abortion in Britain.

Around Europe

Democracy has brought Russia 120 political groups instead of just one - the Communists - in the past five years, according to a Washington research organiza-tion. "The Dictionary of Political Parties and Organizations in Russia" includes groups that are democratic, Marxist, socialist, Bolshovik, feminist, environmentalist, anarchist, nationalist, monarchist, Christian and separatist. The book, which gives details about the history and membership of each party, was issued this week by the Center for Strategic and International Studies.

Britain's new chief justice said this week that he wanted to improve the stuffy image of the judiciary by ditching the traditional white wigs. The wigs, worn by judges and lawyers, project "an unfortunate and wrong image," Lord Taylor of Gosforth told reporters at his first news conference since becoming Lord Chief Justice seven months ago. He described the wigs as having "an 18th-century flavor which a lot of people think shows that we are. opposed to change."

Sytske Looijen-

210 Slain in Kurdish-Turkish Battle Near Border

ANKARA - More than 210

people were killed in a battle between Kurdish separatists and Turkish troops near the Iraqi-Turkpaign for independence in 1984. Prime Minister Suleyman De-

mirel said Wednesday that 29 soldiers and 174 fighters of the sepa-ratist Kurdistan Workers Party had died in the 12-hour battle, which took place Tuesday around Sem-dinli in Hakkari Province. About said a big security sweep was in 500 guerrillas took part.

guards paid by the government had also died in the fighting, he added.

Semdinli is located at the tip of a triangle where the borders of Iran, ish border, the government announced Wednesday. It was the most violent engagement since to create an independent Kurdish Kurds launched a guernilla cam-state carved out of Turkey, Iran, Iraq and Syria.

> Two other military posts in Semdinli were attacked by the guerrillas in the last month, leaving 83 guerrillas and 31 soldiers dead.

progress but denied reports that

Five civilians and three village aircraft or troops were attacking tect Turkey's borders, its integrity and by the government had guerrilla hideouts in mountains in-

Mr. Demirel was speaking to members of his party after troopsfound more bodies in the area where the guerrillas attacked border posts at Derecik and Samanli. He was quoted by the Anatolian news agency.

He defended the conduct of the campaign against the guernillas and again rejected the Kurdish demand for a separate state. Turkey has about 10 million Kurds, half of them in the southeast.

"These soldiers are dying to pro-

The state is determined not to give up an inch of its land. Turkey is not hurting its own people, but trying to eradicate a source of sedition."

The prime minister said that there was no place for talks with the guerrillas and ruled out any devolution of power from Ankara, even if this fell well short of inde-

"We can't think of it," he said. This would be a disaster for Turkey. In the first place we have to defeat the terrorists" "We have to defeat them, we can

About 5,000 people have been killed in Turkey since the the guerrillas began their war in 1984. -

defeat them and we will defeat

He said Kurdish guerrillas had

been given or had seized modern

weapons from Iraqi Army depots

in the aftermath of the Gulf War

when Iraqi Kurds won control of

much of the north. While Demirel

seeks to keep the Kurdish separat-

ist movement under control in his

country, he supports U.S.-led pro-

tection of the Kurds in northern

them," he declared.



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Brazilian Senate Starts Action To Suspend Collor From Office

BRASILIA - Congress began on Wednesday the

formal process of suspending President Fernando Collor de Mello from office after the lower house voted overwhelmingly to impeach him.

About 100,000 people celebrated into the early morning after the Chamber of Deputies impeached Mr. Collor, by a vote of 441 to 38, on charges that he accepted illicit contributions as president.

ill was the first time in Latin American history that a head of state faced removal by legislative vote on charges of corruption. The action was taken against Brazil's first directly elected president since the milivary seized power 28 years ago. It was considered here to be a major boost to the country's young democracy.

Mr. Collor, 43, will be tried by the Senate on charges that he received the equivalent of \$6.5 million in "padue benefits" from a slush fund operated by his former campaign treasurer.

The Senate on Wednesday started the procedure to install Vice President Itamar Franco, 61, in Mr. Colldr's place, pending the outcome of the trial. A special committee made up of aides to the president, Mr. Ptanco and leaders of Congress, will oversee the

Once the charges against him are read and the trial before the Senate officially begins, Mr. Collor will be uspended from office for up to 180 days, during which time he will be replaced by the vice president.

Most observers predict that Mr. Collor will never
return to the presidency, and that Mr. Franco will
serve the remaining 27 months of Mr. Collor's five-

year term. Current polls indicate that 71 of the 81

venutors would vote to convict Mr. Collor of the

corruption charges if the vote were taken now.

Vice President Franco brings a reputation for probi-ty to a government wounded by corruption. If he were elected to the office, he might move Brazil to the left. braking Mr. Collor's drive to reduce the size of the state and to open the country to foreign trade,

But as interim executive, Mr. Franco faces a consensus for the policies of Mr. Collor among the diverse political parties that voted for his impeachment. Mr. Franco will be called upon to act as a conciliator among these forces. Four decades in the give and take of politics have prepared Mr. Franco for the role, but his temperamental character may make playing it

Meanwhile, newspapers in Brazil were hailing the

"Collor Out" read the banner headline in the news-paper O Estado de São Paulo. The half-page headline in the Jornal do Brasil of Rio de Janeiro said simply:

The scandal has paralyzed the Brazil's economy and brought on weeks of buge demonstrations calling for Mr. Collor's ouster. Mr. Collor's removal gives this nation of 150 million people - Latin America's largest—the opportunity to restart its economy, which is burdened by the highest foreign debt in the Third

Justice Minister Celio Borja said Mr. Collor received the news of the vote "with great dignity" and would abide by the Chamber of Deputies' decision.

"It's all finished," said Representative Iosé Lourenco, one of Mr. Collor's staunchest supporters, after Tuesday's vote. "The game has ended

(AP, AFP, WP, LAT)

DEBATE: Bitter Haggling Over 2 Camps' Proposals

(Continued from page I)

rathically alter the campaign's dynamic as the president languishes in opinion polls. Some of those surveys indicate that most Americans hlame Mr. Bush for debate

Televised debates are seen as pivotal in presidential elections. The conventional wisdom holds that an incumbent can lose ground by giving a "presidential" platform an a challenger. This year, however, the incumbent is behind in the

The debate commission had recommended three presidential debates and one vice presidential dehate, all using a single moderator.

refused, asking instead that Mr. Clinton negotiate terms directly with the Bush campaign and saying that a panel of journalists was better than a single moderator. The impasse resulted in the cancellation

For days, the Clinton campaign sharply accused the president of "ducking" and "stonewalling the American people." In the past 10 days, Clinton volunteers in yellow chicken suits have routinely attended Bush rallies and heckled the president as "Chicken George."

On Wednesday, Charles Black, a Bush strategist, taunted the Clinton camp, saying: "The guy in the chicken suit better show up at Gov-Mr. Clinton accepted but Mr. Bush ernor Clinton's rally today because scheduled.

we have a very serious proposal. We've compromised." He also professed flexibility about dates.

Mr. Bush and his aides now say they want the debates split equally between single-moderator encounters and those with a panel of journalists. But they still do not want to deal with the debate commission.

Mr. Clinton and his advisers say they are ready to debate on the commission's dates and that they are prepared to discuss the format with the Bush campaign under the auspices of the commission. Mr. Clinton said be wanted to discuss further debates after agreement

DEPRESSION: An Epidemic

(Continued from page 1)

dramatically reduce the length and intensity of depression. Treatment may also help to reduce the chances that the depression will recur. If the depression is severe or if the symptoms interfere seriously with a person's life, anti-depressant medication is commonly prescribed. These drugs are not addictive and do not adversely

Instead of medication or in addition to it, psychotherapy may be offered. One approach is short-term counseling that focuses on the patients' negative views of themselves and the world. Another relatively brief approach focuses on the patients' conflicted relation-

ships with others.

In its most classic forms, depression results in feelings of sadness, loneliness, apathy, worthlessness, guilt, pessimism or hopelessness. Normal drives are severely diminished, resulting in a loss of appenite and sex drive, sleep disturbances and emotional withdrawal.

But instead of telling doctors that they feel sad or hopeless, at least half of depressed patients complain of a physical problem: bead-ache, constipation, chronic fatigue, weight loss, insomnia, backache or indigestion, prompting a battery of tests that reveal nothing about the real cause and may result in mistreatment.

In children and adolescents the symptoms may be even more obscure. A depressed infant may fail to grow properly, a toddler may have protracted tantrums, a child in elementary school may try to avoid school and an adolescent may refuse to eat, notes Colette Dowling in her recently published book "You Mean I Don't Have to Feel This Way?: New Help for Depression, Anxiety and Addiction"

A Self-Check Questionnaire

New York Times Service

This test, offered by the organizers of National Depression Screening Day, can help you assess whether you are suffering from a

1. I feel downhearted, blue and sad.

2. I don't enjoy the things that I used to.
3. I feel that others would be better off if I were dead. 4. I feel that I am not useful or needed.

5. I notice that I am losing weight.
6. I have trouble sleeping through the night.
7. I am restless and can't keep still.

My mind isn't as clear as it used to be.

I get tired for no reason. 10. I feel hopeless about the future.

If you agree with at least five of the statements, including either item I or 2, and if you have had these symptoms for at least two weeks, professional help is strongly recommended. If you answered "yes" to statement 3, get help immediately.

If you want information and help in obtaining proper treatment,

send a stamped, self-addressed envelope, with a suggested contribu-tion of \$5, to the National Foundation for Depressive Illness Inc. P.O. Box 2257, New York, New York, 10116.

EUROPE: For Business, One More Job to Get Done

(Continued from page 1) counting on the unified market to

at least keep everyone going in the same direction. That should help consumers across Europe, 100, as increased efficiencies lead to better products and lower prices. nally proposed by the EC Commis-We've built a pan-European sion, 250 have already been adopt-

company without a pan-European currency," said Lindsey Halstead, who runs Ford Motor Co.'s European operations from his office just outside London. "So we're no worse off today than we were be-

fore. We re just not as well off as some might have hoped."

To many companies, there is little question that the EC's single market would ultimately benefit from the creation of a single currency that would eliminate all risk of exchange rate instability. But now, instead of waiting for the politicians, some are taking matters into their own hands.

Dow Chemical Co., for example, just adopted its own single currency. It's called the Deutsche mark. Last week, with wave after wave of currency convulsions sweeping across Europe, Dow Europe imposed a policy of pricing its basic chemical products in German marks rather than local currencies. The company said it could no longer afford to absorb the risk of exchange rate fluctuations itself.

Big business could not have delivered a clearer message to Europe's political leaders. It is no longer banking on the European Community's ambitious plans for blending most currencies together under the umbrella of a single cen-tral bank hy as early as 1997. The German mark, Dow's move suggests, is well on its way to becoming Europe's de facto currency.

find ways to preserve most of the January. advantages of economic unity de-

spite the recent turmoil.

The single market enjoys widespread popular support," he said. moves to build a federal Europe
"The single currency doesn't. As and avoid a firm timetable for cre-

serious backtracking." to make an extra profit on the so Indeed, the Community continues to make progress in putting the single market into effect. Of the 282 single market measures origi-

Another eight are in the pipeline. an EC spokesman said. Moreover, any advantages British and Italian based exporters de-rive from devaluation and floating ty leaders might just give up the exchange rates may well prove tent-

porary. Rising import prices for raw matenals and supplies are likely to add to inflation and work their way into wage costs, thereby eroding most, if not all, of the gains.

Oki Europe, for instance, Brit-ish-based arm of Japan's Oki Elec-

tions to break down completely, I don't think there should be any devaluation of the pound. It stands to make an extra profit on the sp. of the computer printers it sells across Europe that is produced in its factory in Scotland, And Ob generally buys less from Japan whose stronger yen makes goods ed by all 12 member states. from there more expensive, than managers are complaining

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In the end, what worries some analysis the most is that Communine entirely if they strike out on the Maastricht treaty.

"Jacques Delors once said it was

impossible to fall in love with the single market," said David Roche chief European strategist for Morgan Stanley International in London. "I hope be can learn at least to

TREATY: Major Reassures Paris

(Continued from page 1) citizens for the better." Britain,

bowever, is apparently alone in wanting to revise the Community's so-called exchange-rate mechanism so that the pound can return to the system of linked currencies. At a cy zone would have the Denische meeting of finance ministers Mon-day, Britain was rebuffed and on joint currency, the Europa-Mark Wednesday Mr. Major said it was "not appropriate" to discuss mone-

tary matters in public. French officials have nonetheless insisted that they were eager to help Mr. Major combat the new uprising by "Euro-skeptics" within his Conservative Party, fearful that Britain - more even then Denmark - could still sink the union Alan Winters, an economics pro-fessor at the University of Birming-ham, thinks European leaders will cept British ratification as late as cept British ratification as late as

During negotiations preceding the treaty, Britain was often in a minority of one as it tried to block moves to build a federal Europe self to a single currency and "opted out" of signing an agreement of workers rights.

joint currency, the Europa-Mark. Reuters reported. He said he would not limit this inner circle of European countries to the French franc and the mark.

"There are no barriers against including the Bencher countries and Denmark," he said, adding that such a Europe would also be possible with Austria and Switzers

The only determinants are economic, financial and stability citeria," Mr. Waigel said. "Around this circle a Europe will develop that consists of countries that either belong to the European Community or want to belong. These countries do not fulfill the criteria, but undertake efforts toward convergenlong as the EC does not allow rela- ation of a single currency. In the cy," Mr. Waigel said.

Inquiry Lays Blame in Ciskei Deaths

Compiled by Our Staff From Dispatches JOHANNESBURG - An independent South African inquiry into the Bisho massacre has condemned Cisket troops for "indiscriminate and prolonged shooting" at Afri-

c.m National Congress demonstra-tors that it said killed 29 people. The inquiry, headed by Judge Richard Goldstone, also strongly criticized ANC leaders, who had exposed marchers to the dangers of death and injury," the South African Press Association reported followed. Wednesday

Ciskei troops or ened fire Sept. 7 on about 60,000 ANC supporters marching on the nominally independent homeland with the declared aim of toppling its ruler, Brigadier Oupa Goozo.

The Goldstone Commission said that Ciskei troops "deliberately affined to cause as many deaths and injuries as possible."

"Indiscriminate and prolonged spoting at innocent demonstra-ters is morally and legally indefen-sible and is deserving of the strongest censure," Judge Goldstone charges against "any person responsible for death or injury."

The report also made a series of

to conduct an independent investi-gation of the Bisho killings.

Communist Party leader, Ronnie Kasrils, in leading a group of dem-onstrators through a gap in a fence "was the immediate cause of what It said his action was "regretta-

ble and irresponsible" and that the ANC should publicly censure Mr. Kasrils and others who had exposed the marchers to the danger of death or injury. The report said march leaders

could not have anticipated the "almost unbelievable response" of the Ciskei soldiers, but noted that a violent response had been anticipated days ahead.

The report, handed to Mr. de

year to head a commission to look recommendations, including one into violence in South Africa, was that reasonable and negotiated asked by President F.W. de Klerk mass demonstrations should be tolerated anywhere in South Africa, including the nominally self-gov-erning black homelands. It said the officers commanding The report said the action by a

the Ciskei Defense Force should immediately conduct a full inquiry into the training and discipline of their troops.

The report said mass public only as a peaceful means to popularize political policies and propa-gate political changes.

In a sharp warning to repressive homeland leaders like Ciskei's Brigadier Gozo, the commission said the level of political tolerance in South Africa will have to rise radically and quickly if democratic reform is to succeed.

The governing National Party said it accepted the findings and Klerk on Tuesday, said the Ciskei wholeheartedly backed the report's attorney general should investigate recommendations. (Reuters, AFP) recommendations. (Reuters, AFP)

HE CHEAPEST

CLAN: Food for the Starving Lost to Warring Bands

(Continued from page 1) r this year and closed the port. The single biggest obstacle to ending the starvation that is said to be billing 1,000 a day in Somalia is that the food delivered to the major depots cannot be delivered to regions where it is needed without being looted by warring bands. It is not clear whether General

Farrah Aidid and Mr. Mahdi Mo-hammed could end the lighting and looung, but the fact that they are at war with each other has meant that they have little incentive to even - Both leaders profess concern over the starvation but so far have done little to curb the looting by

ing is not as great as food donors contend and that they do not have full control over the forces loyal to "Some looting has happened, but not very much," General Far-

their fighters, saving that the loot-

rah Aidid asserted. "Mostly it happens because hungry people need food. Of course if our security forces are hungry, they may be

He expressed awareness that the international aid community was blaming the political leadership in Somalia for not doing what it could to end the starvation. "I hope this looting will not compromise the sympathy," he said.

[Relief agencies said Wednesday that they were evacuating staff members from the southern Somali port of Kismayu, 450 kilometers south of Mogadishu, after constant threats by guimen trying to hot food meant for the starving, Reu-ters reported. "The very people who are supposed to be protecting

trol over his troops: "These are

boys who come from the country-side," he said. "It will take time to train them to accept the rule of the country. They have not been to school."

According to Somali estimates, each leader commands roughly 4,000 to 5,000 troops, mostly undisciplined and untrained but able to frustrate much of the effort to de-liver food and medicine and to pose a threat to the UN troops.

In August, the UN special representative in Somalia, Mohammed Sahnoun, won the approval of General Farrah Aidid for 500 UN troops who arrived in Mogadishu

These 500 troops are expected to be deployed in the second week of who are supposed to be protecting relief staff are holding guns on them," a top UN official said.]

Mr. Mandi Mobammed was additional 3,000 approved by the Security Council earlier this October, but so far Mr. Sahnoun

IN MEMORIAM

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HEALTH/SCIENCE

Isolating Abnormal Brain Tissue Frontal fobe Hor Reussures h i Yangi Hadical experimental surgery: in epileptic Reorganization after surgery: Positren emission intants, surgely is being used to remove abnormal tomography image of horizontal cross section of an brain liasue in one hemisphere or to sever the infant's brain before similar surgery (lop) shows low." connection between if end the rest of the brain. As metabolic activity in the left half of the cortex. Six shown in the diagram above (side view), millions of months after surgery (middle), only half the brain is " connections between one hemisphere of the cerebral active, but two and a half years later, extensive contex and the rest of the brain are severed at the

How Surgery Can Counter Epilepsy

By Sandra Blakeslee

Sources: Dr. Warrick Pelicook: Dr. Harry Chaganily, C.L.A.

areas indicated.

OS ANGELES -- Shortly after he was born, Jacob Stark's arms and legs started jerking every 20 minutes. Weeks later he could not focus his eyes on his mother's face. The diagnosis: uncontrollable epileptic scizures involving his entire brain.

His mother, Sally Stark, recalled: "When Jacob was two and half months old, they said he would never learn to sit up, would never be able to feed himself. Nothing could be done to pre-vent profound retardation. They told us to take him home, love him and find an institution."

Instead, the Starks took Jacob from their home in Atlanta to the University of California at Los Angeles for radical brain surgery. "They removed a fifth of his brain," Sally Stark said. He was five months old. "A day after surgery he looked up and saw us for the first time," she said, then paused. "My son has two birthdays. The day he was born and the day of the surgery." Now nearly 3 years old, "Jacob talks, runs, jumps and goes to preschool with normal children," she said.

Epilepsy surgery is gaining in popularity as techniques for finding diseased tissue and re-

moving it have improved, said Dr. William Theodore, chief of the clinical epilepsy branch at the National Institute of Neurological Dis-eases and Stroke in Bethesda, Maryland, But the most spectacular results are being seen in babies and very young children.

"We've always hoped that kids with uncontrollable seizures would outgrow it," Dr. Theodore said. "But a significant number do not. Now there is increasing evidence that the earlier you operate, the better you help them avoid later neurological and social problems."

Dr. Harry Chugani, a brain imaging specialist at UCLA, says he thinks he knows why. Using e technique that injects radioactive tracers into babies' brains before and after surgery. Dr. Chugani maintains that he has the first real proof that human brains can make extensive reconnections after surgery, but only if the patient is 5 years of age or younger, preferably 2 or under. Older children improve after surgery but their brains do not reorganize as much, he said, and adult brains show no reorganization.

By examining the abnormal tissue removed from the brains of children, Dr. Chugani said, researchers are finding clues about what makes a baby's brain grow, make new circuits and prune unused connections. The work may even-

New York Times Service

head of the agency's AIDS program, Dr. Michael H. Merson, said

Tuesday that such cases were rare in both industrialized and devel-

oping countries.
"We don't have a new epidemie on our hands," Dr. Merson said in

a telephone interview from the agency's headquarters in Geneva. "It

does not look like it is a major problem, and we have oo definitive

The meeting was called in July after participants at an internation-

al AIDS meeting in Amsterdam reported that they had encountered

evidence that there is a new virus causing immunosuppression."

a small number of the mysterious cases.

connections have been re-established, presumably

with the healthy right side.

mental retardation and learning disorders. But some experts criticize the methods used at UCIA. "They do a spectacular job with surgery and helping families," said Dr. John Freeman, director of the pediatric epilepsy conter at Johns Hopkins Medical School in Baltimore. But the radioactive imaging technique positron emission tomography, or PET -is not the only way to make a diagnosis, he said. Children can be assessed for surgery without

exposing the rapidly dividing brain cells to radioactive substances, he said. Five medical centers have large pediatric epi-lepsy programs; Hopkins, UCLA, Miami Chi-dren's Hospital, MINCEP Epilepsy Care in Min-neapolis and the Montreal Neurological Institute, UCLA uses PET scanning more than the others. "We would not have operated on many children if it were not for PET scanning," said Dr. Warnick Peacock, a UCLA pediatric neurosurgeon who has removed brain tissue from 140 children.

Epileptic seizures arise when large amounts of cells in the brain's cortex produce electrical storms that spread and damage neighboring tissue. They occur only in the cortex, where higher functions like thinking, vision, language and planning take place.

New Hormonal Clues to Cancer

By Cristine Russell Washington Post Service

ASHINGTON - Women who have given birth appear to be at significantly decreased risk of brain cancer" compared to women who have never borne children, according to a study by scientists at the National Cancer Institute and the University of

The findings suggest that the changes in sex hormone levels during and following fullterm pregnancies may play a role in the origin of brain cancer, providing clues for a better understanding of it, said Kenneth P. Cantor, a researcher at the NCT's environmental enidemiology branch. But, he stressed, further research is needed to confirm these preliminary observations and their potential impor-

Brain cancer is relatively uncommon, but cases have risen nearly 25 percent in the Unit-ed States since the early 1970s, according to NCL The American Cancer Society estimates that there will be 9.100 new cases and 6.500 deaths in men and 7,800 new cases and 5,300 deaths in women in the United States this year from cancers of the brain and nervous system.

It has long been recognized that women who have never had children or whose first childbirth was after age 30 are at increased risk of breast cancer, compared to women who have children at a younger age. However, the relationship of pregnancy and childbirth to other cancers has been less studied.

The new study suggested that giving birth reduces the risk of colon cancer, as has been observed in other research. There were no significant findings regarding childbirth and cancers of the rectum and pancreas, although the risk of kidney cancer appeared to increase slightly among women who had given birth to five or more children.

An earlier analysis of the Iowa data found lower risk of bladder cancer in women who had given birth, particularly among nonsmokers, supporting a hormonal link, Bladder cancer is also two to four times more common in men than women.

The strongest statistical link was found between brain cancer and childbirth, with women who had never given birth about 2.5 times more likely to be diagnosed with brain cancer, compared to women who had given birth. The risk of getting this malignancy did not appear related to the number of live births. But there was a "suggestive trend," said Dr. Cantor, that women who gave birth before age 20 were et lowest risk. The risk of getting brain cancer rose as the age of first birth increased. Women who had never given hirth seemed at highest risk for brain cancer.

Fever: A Problem or a Solution?

By David Brown Washington Post Service

ASHINGTON - If you inject a grasshopper with certain bacteria, it will jump to the sunniest blade of grass within reach and commence to develop e fever. Of course, if it had the option of putting its head under the covers, it might do that instead in the hope of thwarting infection.

Fever, it turns out, is one of life's oldest adaptations, an evolutionary "solution" that has been carefully passed from one phylogenetic family to another.

Fever is one of the oldest and most important signs in clinical medicine. Nonetheless, Americans spend at least \$1 billion a year to get rid of it, even though very little is known about its effect on the course of disease. Moreover, the workings and purpose of fever are not fully understood by modern science,

A team of medical researchers in Baltimore reported last week that in human beings, fever from now on should be considered as any temperature higher than 98.9 Fahrenheit in the morning, or 99.9 later in the day. The long-established "normal" standard of 98.6 is not a sacred barrier beyond which lies evidence of

Those findings reinforce the fact that the regulation of temperature is one of life's subtlest, and most mysterious, mechanisms. Temperature not only helps determine behavior, fertility and metabolism; it also significantly affects the immune system - every animal's built-in medicine cabinet. Temperature, in many ways, is the key to the cabinet.

With such potent effects, it is of little surprise that temperature is both jealously defended and constantly adjusted in organisms virtually throughout the animal kingdom.

A part of the brain called the hypothalamus is the Seat of temperature regulation in higher animals. Specialized cells there are sensitive to changes in the temperature of circulating blood, and also receive information from nerve cells in the skin and other remote locations. For

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human beings, the goal is to maintain tempera-ture roughly between 98 and 99 F.

When temperature rises or falls significantly, an animal is driven to undertake behavior that will adjust its temperature to the desired range. For people, this can be as simple as putting on or taking off a sweater. If such adjustments are not sufficient, the body will rely on internal

devices, notably sweating or shivering.

When microorganisms invade the body, the immune system is stimulated to produce che cal substances, called pyrogens, that change the

Temperature, it turns out, is one of life's oldest adaptations.

sensitivity of the hypothalamic nerve cells. This ultimately creates a new and higher temperature "set point" for the system, one the organism seeks with the same fervor it previously showed for the lower one.

Cold-blooded animals work just as hard as warm-blooded ones to mount fevers, even though cold-blooded creatures have only behavioral adaptations to assist them. Infected goldfish, for example, will swim to the warmest part of a pond. The fever impulse is strong because for many

species it is directly correlated with survival.

Experiments in the 1970s by Matthew J. Kluger, a physiologist at the University of Michigan Medical School, found that when desert iguanas were given bacterial infections, 75 percent died if they were kept in an environment of constant "normal" temperature. But if they were allowed to raise their temperatures by seeking out and lying under a heat lamp attached to an end of the cage, only 25 percent died.

Though fever's benefits have been noted since the time of aucient Greece, only recently have biologists begun to understand its mechanisms. Research in the last 20 years has shown that at temperatures above the normal range, white blood cells move to the site of infection more quickly, multiply faster, produce more antibodies and in many cases kill microorganisms more avidly. At the same time, the growth of some viruses and barteria is inhibited by even a small rise in temperature.

The pyrogens released by the body to produce fever are, et low concentrations, also powerful immune-system stimulants in their own right. In overwhelming infections, however, these chemicals often are produced in toxic quantity. Flooding the bloodstream, they cause blood pressure to fall, the lungs to fill with fluid and the heart to weaken. Death follows quickly. One of the most active fields of pharmaccutical. research today aims at making drugs that block

or prevent the production of these substances. Why would a biological system that produces fever — with all its apparent benefits — often produce a self-inflicted lethal injection of pyro-gens at the same time? The answer lies in the evolutionary past, to be guessed at but not, precisely known.

One theory, proposed by Philip A. Mackowiak, an infectious disease specialist at the University of Maryland and author of last week's article on the "new" normal range of temperature, is this:

Fever, and all the biochemicals that accompany it, benefits a species if it helps individuals with mild infections recover more quickly and get back to the business of reproduction, Individuals with severe — and potentially pro-longed — infections, however, are a different. matter. They pose e risk of spreading disease. A species is thus safer to treat them as unsalvageable -- and a large dose of pyrogens guarantees a fatal outcome.

Given all the research that has gone into fever's effects in other species, it is perhaps surprising that so little is known about its importance in human disease. No clinical trials have ever determined whether, on balance, people with infections do better or worse if fever is left to run its course. "It is certainly a question" that I would like to have the answer to." Dr. Mackowiak said last week. "I'm not optimistic that it's one that will be answered in my life-

IN BRIEF

Single-Dose Therapy Found for Chiamydia

WASHINGTON (WP) - Researchers have developed a singledose antibiotic treatment for chiamydia, the most common sexually transmitted disease in the United States, that they say is as effective as the standard seven-day course of drugs. Failure to stick with the weeklong treatment, particularly by the many patients who are asymptomatic, has been a barrier to controlling the epidemic.

According to the U.S. Centers for Disease Control, there are an estimated 4 million to 6 million new cases of chlamydia each year and up to 10 percent of sexually active adults may carry the disease. Genital chlamydia causes inflammation of the urethra in men but is more serious in women, where innation of the curvix, endometrium and fallopian tubes is a major cause of infertility and life-threat-ening ectopic pregnancies. In addi-tion, infected pregnant women may transmit chlamydia to their infants at birth, causing neonatal pncumonia and eye damage.

The new drug, azithromycin was tested against chlamydia by researchers at Louisiana State University in New Orleans, who reported their findings in the New England Journal of Medicine.

Genome Triumph: Chromosome Map

LONDON (Reuters) - Biologists have taken a giant leap toward mapping the human genome — the

blueprint that carries all the information needed to make a human

Dr. Daniel Cohen, director of lent of landing on the moon. The the Center for the Study of Human 21q map stems from intensive col-Polymorphism in Paris and coordinator of gene mapping at Gen- 10 institutions and 35 co-authors ethon, e new laboratory south of worldwide. Paris, reported the first complete map of a human chromosome, 21q, in Thursday's edition of Nature

An Anomaly Upsets Comet Theories

it has been called biology's equiva-

NEW YORK (NYT) - If cornets WHO: No Sign of New AIDS Virus share the same birthplace and if thatbirthplace is homogeneous, they should be as smoothly uniform as well-mixed cake batter. Those as-EW YORK - Scientists from around the world reported samptions underlie the prevailing theories of comets' origins, but a recent study has turned up what appears to be a lump in the batter. that they had found ocarly 100 cases of an AIDS-like illness in which there was no detectable evidence of the virus that causes AIDS. But after a meeting held by the-World Health Organization at which the cases were reported, the

In an analysis of the spectra, or chemical fingerprints, of nearly a score of comets, one called Yanaka (1988r) turned out to be drastically depleted in two charged carbon molecules: C2 and cyanide. The comet is really totally different from the others," said Dr. Uwe Fink of the Lunar and Planetary Laboratory of the University of Arizona.

Mapping the genome is such a 6 Sassy complicated and vast undertaking 10 °---- the momin' ...!" 14 Mikhail's mate 15 Humdinger laboration involving an additional

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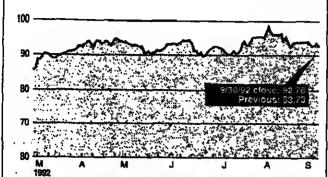


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Page 11-

THE TRIB INDEX: 92.78

International Herald Tribune World Stock Index 6, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, in the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weigning: 40%	Approx. meigning: 35%
110 Close: 83.09 Prev.: 85.57	Close; 97.57 Prev.; 98.09	Close: 96.39 Prev.: 96.48
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	Wed.	Prev.	change		Wed.	Prov.	change
Energy	97.68	97.93	-0.26	Capital Goods	96.41	96.88	-0.49
Utilities	90.41	91.54	-1.23	Raw Materials	97.95	98.18	-0.23
Finance	82.44	85.06	-3.08	Consumer Goods	95.54	95,81	-0.28
Services	98.00	96.16	-0.16	Miscellaneous	98.23	99.82	-1.59

Index, a booklet is available (see of charge by writing to Trib Index, 181 Avonue Charles de Galulle, 92521 Neutly Cedlex, France.

U.K. Bank **Prospects** Cool Off

Rate Concerns Hit Recovery Hopes

By Erik Ipsen

LONDON - With financial markets betting the government will be able to lop no more than 1 percentage point off British base rates this year, sentiment regarding the prospects for the economy and

British banks is cooling rapidly. Shares in Barclays Bank, for example, rocketed from around 280 pence (\$4.96) at the time of Britam's retreat from the exchange-rate mechanism of the European Monetary System last month to more than 370 pence by late last week. It had tailed back to 337 pence at Wednesday's close.

The optimism was ill-founded," said Nick Dobby, an analyst at Robert Fleming Securities. He cited the fact that real interest rates, at more than 5 percent, remain high by historical standards, and that banknuptcies are rising.

On Wednesday, the Bank of Scotland reported a 2 percent drop in profit for the six months ended in August and said it was gnardedly optimistic about the impact of the recent cut in British interest rates. Robin Browning, the bank's general manager, predicted that the 1-percentage-point cut on Sept. 23, which put base rates at 9 percent, would "help the U.K. economy and help alleviate the bank's bad debt

Others, however, expressed doubts about the impact of the rate cut. Not only was it too small, but the accompanying confusion over the future direction of economic policy might actually damage con-fidence, some said.

"Even the financial community does not have a clue as to what the See BANKS, Page 12

By Kurt Eichenwald

New York Times Service

survive as the nation's third-largest

stock market, the American Stock

Exchange in 1989 undertook a bold

experiment: In search of a new

chairman, the Amex reached out-

tap James R. Jones, a former Dem-

Street as a worthwhile gambit. The

exchange's future seemed to be in

the hands of Washington as new

rules that could reshape the indus-try were considered. So, the think-

ing went, who better to present the

Amex's case to government offi-cials than one of their own?

But three years later, the experi-

ment appears wohlly. A small but

influential group of floor traders is working to derail a renewal of

Jones' contract even as others -

cize what they contend is his failure

to grasp the exchange's workings.

including some supporters — criti-

The idea struck some on Wall

ocratic congressman.

NEW YORK - Struggling to

'Great Optimism' in Sweden Markets Rally on Cuts in Rates and Taxes

STOCKHOLM - Swedish stocks and bonds rallied strongly Wednesday after the government and central bank acted together to cut employers' social security costs and silence lingering talk of a possible krona devaluation.

The Riksbank, the Swedish central bank, cut its key marginal lending rate to 24 percent from 40 percent. Two weeks ago, the bank had lifted the rate to 500 percent at the height of devaluation

Also Wednesday, Prime Minister Carl Bildt announced a pact with the opposition Social Democrats on reducing payroll taxes, which the country's crucial export industries said were making it hard for them to compete.

Economists had said such a move was necessary

to restore competitiveness without a devaluation. There is simply great optimism," said Stefan Wictorin at Midland Montagu hank. Nobody is

talking about devaluation any longer."

Mr. Bildt and his ideological rival Ingvar Carlsson, the Social Democratic Party leader, hammered out the payroll pact in another all-night hargaining session, after a budget-cutting agree-ment announced on Sept. 20 had failed to bring down interest rates and banish devaluation fears.

Beginning in January, employers will effectively pay 5 percentage points less than the 34.8 percent now levied on each employee's salary as a contri-hution to the social security system.

Krister Andersson, head of the Riksbank's economic secretariat, said the reduction should cut mdustry's overall costs by 3.7 percent, giving back a competitive edge to exporters such as the car-makers Volvo AB and Saab-Scania AB.

The benchmark three-month Treasury bill rate plunged 6 percentage points, to 18 percent on Wednesday, its lowest level since Finland floated the marking on Sept. 8 and unleashed speculation against the Swedish krons.

Shares on the Stockholm exchange soared by more than 6 percent in the largest one-day rise so far this year. The krona gained strongly against Trade unions and some of Mr. Carlsson's sup-porters denounced the payroll pact as a further

sellout by the Social Democrats to market forces, personified by Mr. Bildt, leader of the conservative We are falling more and more into the hands of capital," said Lars Torman, a mineworkers' lead-

er in Kiruna. Economists had said cuts in the payroll tax and the central bank's rate were urgently required if Sweden was to resist market pressure against the

But Mr. Bildt has dismissed a further demand by

some economists that Sweden switch its self-imposed linkage away from the European currency unit to the Deutsche mark.

German Stock Index Hits 92 Low

Compiled by Our Staff From Dispatche FRANKFURT - Germany's major stock index fell to a 1992 low on Wednesday amid con-

cerns about the weak dollar and fading hopes of a cut in interest rates. Stocks rose in Paris, halting a plunge of more than 6 percent this week in the market's major

index. In London, shares fell moderately.

The European component of the International
Herald Tribine World Stock Index fell 0.43 percent, to 97.67, while the overall index fell 1.01.

This has been another very disappointing day for the German stock market, said Holger Bosse, a salesman at CSFB-Effectenbank. Germany's DAX index fell 9.90 points, or 0.67 percent, to close at 1,466.36.

In an interview to be published in the French business newspaper L'Expansion on Thursday, the Bundesbank president, Helmut Schlesinger, cantioned against speculation on a cut in rates. This follows reported comments by Lothar Müller, a member of the Bundesbank's policy-making council, that European monetary union would be achieved without further realignments within the exchange-rate mechanism.

In Paris, stocks rebounded in the last hour of trading to end higher. The CAC-40 index rose 4.8 points, to 1,736.73.

Prices fell early in the day on gloom over high interest rates, poor company earnings and political uncertainty. But a wave of buying from French institutional investors having their funds evaluated at the end of the third quarter erased the drop.

In Britain, the Financial Times-Stock Exchange 100 index fell 12.5 points, to 2,553.0. News of nearly 1,000 new job cuts and sterling's continued weakness weighed on prices, on top of diminishing expectations for a cot in British lending rates.

(Bloomberg, AFP, AFX)

U.S. Home Sales Plunge Despite **Lower Rates**

WASHINGTON - Sales of new homes plunged 6.1 percent in August, the government said Wedoesday, despite the lowest mortgage interest rates in nearly two decades. It was the steepest decline in five months.

Sales were off in the South and West, while rising in the Northeast and Midwest.

The Commerce Department and the Department of Housing and Urban Development said sales nationally totaled 570,000 at a seasonally adjusted annual rate. That was down from a sharply revised 607,000 a month earlier. when they actually rose 4.5 per-cent. July's sales first were esti-mated to have fallen 2.6 percent. to a 563 000 annual rate

Analysts had been expecting new home sales to increase about 3.0 percent in August. Sales had risen 1.5 percent in May and 4.9 percent in June, after falling for three

alysts who had expected the low mortgage rates to spur activity.

According to the Federal Home Loan Mortgage Corp., the rate on a 30-year fixed-rate mortgages averaged 7.98 percent in August. It was; the lowest rate since 7.73 percent in: June 1973. Rates have edged back? up since August, to 8.02 percent for the week ended Friday.

Separately, a Wall Street research report found that business executives have lower expectations for sales and profits in the final three months of 1992 than they did in the current quarter.

Dun & Bradstreet Corp. said the 3,000 executives questioned in its quarterly poll expressed concerns: about the looming presidential election and lingering worldwide.

"Business executives remain cautious," said Joseph W. Duncan, vice president and chief economist at Dun & Bradstreet, a marketer of business-information services.

The survey's overall price-opti-* mism index fell to its lowest level; The August decline was the since 1963, with executives in everysteepest since sales plunged 11.5 industry reporting decreases in exceptions of raising prices in the

(AP, Bloomberg)

ITT Plans Huge Charge

NEW YORK — ITT Corp. said Wednesday it would take a \$582, million charge against third-quarter earnings, largely so it could strength. en its reserves to fund expected insurance losses at its Cameron & Colby

The company did not specify the losses, but said they occurred before 1986 and said some were associated with aspestos and pollution-related claims and with weakness in reinsurance.

ITT also said it would invest \$680 million in ITT Hartford Insurance Group; \$380 million of that investment will be in Alcatel Alsthom stockthat IIT must hold until July 1997 under an agreement between the companies related to the French concern's takeover of a joint telecom-

James Jones at Amex: The Street Now Wonders

INTERNATIONAL MANAGER From GM's New Knight, **Terms of the Costs Battle**

New York Times Service T. CLAIR SHORES, Michigan — The hype is the billions of dollars annually that J. Ignacio Lopez de Arriortua promises he will save General Motors Corp. in lower outlays for parts and materials. The cold reality is embodied in a nondescript factory here that makes millions of seat belts every year for Cadillacs, Buicks, Pontiacs and Oldsmobiles.

As GM's new vice president of worldwide purchasing, Mr. Lopez and his licutenants rearranged machines and workers on the assembly lines at General Safety Corp. The changes, said Alfred J. Fisher 3d, General Safety's president, yielded double-digit improvements in productivity.

Now for the surprising revela-tion: "Mr. Lopez hasn't really asked us yet for any reduction in prices," Mr. Fisher said.

So far, GM suppliers' worst fears have not come to pass. "One of the biggest miscon-

ceptions is that I'm making sup-pliers tear up contracts," Mr. Lopez, a Spaniard whose Eng-lish is influenced by both Spanish and Basque, said during first official interview since taking his job in May.

This week's issue of Automotive News, a trade magazine, reported that Rockwell International Corp. spurned the chance to build plastic body panels for GM's new electric car rather than lower its

prices. Similar horror stories, some more credible than others, have circulated among the automaker's 5,000 or so suppliers since John N. Smith Jr., GM's new president, imported Mr. Lopez from GM's European operations. "It wouldn't be honest to say there hasn't been a lot of trepida-tion," Mr. Fisher acknowledged, referring to fear at suppliers. But GM must cut costs, he said, and it will.

Is the cost-cutting for real? Few GM executives since Alfred P. Sloan Jr. in the 1930s have shaken the family tree as much as Mr. Lopez is now doing. He has offered to supply engineering talent

free of charge to help suppliers find ways to reduce cost.

"If you want to work with us, we are willing," he said. "But we don't have a lot of time to argue which kind of dogs are coming to eat the rabbits, because they are coming."

In four months, GM engineers have conducted 101 weeklong See GM, Page 13

Losing means becoming 'second-class citizens in second-

He needs to learn more about our business," said George Rei-chelm, a prominent trader who says class countries. be supports the former Oklahoma congressman, even while describing many of his accomplishments

"more facade than reality."
The net effect of the criticism. which Mr. Jones and others contend is the result of traders angered about a market slowdown and his moves to shake up the Amex, is that while the exchange faces increasing com-petition from other exchanges, it must contend with morale problems; resumes from exchange managers are circulating in numbers.

Rumors that Mr. Jones, 53, is a candidate for a joh in a Clinton administration has prompted some Amex veterans to hold their fire, they say, hoping the presidential election resolves the issue. If not, they say the pressure could mount again after November.

volves management decisions. like his naming of two former congres-sional aides with no exchange experience to senior posts and what some see as poorly timed dismissals of two executives, one shortly after disclosing her pregnancy and another with-in days of his mother's funeral.

askance at his failure to select a president for the Amex for more than two years, for not consulting with traders or even board members on some decisions, for reorganizing the exchange in a way that raised conflict-of-interest questions as some compliance functions became part of the marketing division, and for spending time on what some

contend are publicity ginnicks. To be sure, criticism is an occu-pational hazard in the chairman's ob, resulting from the anger arising from trying to balance competing interests of members and the public. And, Amex officials say, Mr. Jones is being unfairly blamed for the exchange's failure to m-

crease trading volumes.

Business at the exchange has been flat for years, with the average daily volume still below the 13.8 million share volume in 1987.

This comes as the Amex its higger competitors, NASDAQ and the New York Stock Exchange — is struggling with some of the leanest times in years, posting a loss last year. The Amex has begun to see stronger revenues in the first six months of 1992 for the first time

There is always going to be complaining during a volume slow-down," Mr. Jones said in an inter-

"The entire time I've been here we had doldrums in the economy." The Amex chairman also attri-butes the criticism to his moves into new endeavors that he says disrript husiness as usual, including his reorganization of the Amex bu-

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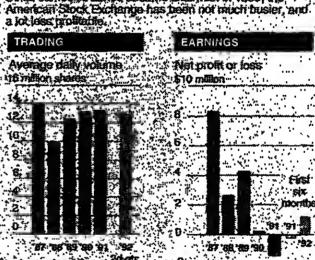
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A Struggling Exchange

Since James R. Jones became changing in 1989, the



The industry is changing," he said. "Any kind of change brings

And Mr. Jones has won converts through his work. "Before he was selected, I was not someone who was in favor of Jim Jones because I thought we needed someone with more experience," said Jeffrey Sil-verman, chairman and chief executive of Ply-Gem Industries and a member of the Amex board. "Since seeing him and working with him, I like his style and I think he is doing a good job."

Moreover, Mr. Jones has won high marks in some of the areas where he was expected to bring benefits. The exchange has estab-lished close alliances in Washington and won speedy approval of numerous new products and proposals from the Securities and Exchange Commission, including for

the exchange. And he has also won praise for championing more electronic sys-tems on the floor of the exchange, pushing projects on hand-held tersinals and touch screen technology.

> But, according to current and former directors, advisers, traders and others, most of whom spoke on condition they not be identified, the successes have not overcome a frustration in some quarters with the direction of Mr. Jones' admin-

its new Emerging Company Mar-

ketplace, where companies that do

not qualify under Amex listing

standards can be traded through

The troubles began early in Mr. ready for the job.

A true collector's item.

Jones's tenure, professionals tied to the Amer say, when he created the impression that he trusted advisers who knew him more than those who knew the markets.

Some at the Amex expected Mr. Jones to recruit Wall Street execulives for top posts to compensate the fact that he is the only head of a major American exchange without a business background. But, within months, Jones hired two former congressional aides, Christopher Finn and Philip Steele, for those spots.

Mr. Finn, a former press secretary for Mr. Jones, is now head of equities for the Amex although he does not have a business degree. His only business experience came from about a year working with the financing arm of an engineering services company.

Mr. Steele, who has a business degree from Stanford and also vorked as a coogressional aide for Mr. Jones, is executive vice president in charge of strategic planning. His husiness experience comes from working as a consul-tant with the firm of Scidman & Seidman. Amex veterans criticized a number of Mr. Steele's projects, including a failed effort to open

trading in Hawaii. Mr. Jones defends the two selections, saying that Mr. Finn brought skills of marketing and dealing well with people, while Mr. Steele brought wide-ranging experiences from his consulting work.

"I think we have a good team here," he said. Within months of Mr. Jones' arrival, Kenneth Leihler, the president, resigned. Mr. Jones said he

had not named a successor in part

because none of the managers was

Targeted

By Richard W. Stevenson New York Times Service

Auditors

the Bank of Credit and Commerce International will seek billions of dollars in damages from the failed bank's auditors, people involved in the case said Wednesday. The liquidator is expected seek the huge damages as part of civil lawsuits filed in March agains

Price Waterhouse, BCCI's main ac

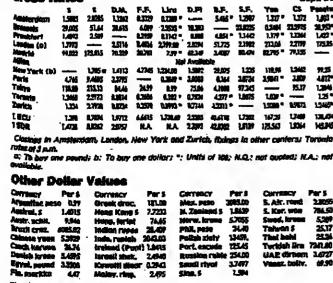
countant during most of the late, 1980s, and Ernst & Young, which also audited portions of the bank's activities, the accounting firms The suits alleged that Price Wast terhouse and Ernst & Young had been negligent in their audits of the bank in 1985 and 1986. BCCI was scized by regulators last year after regulators and criminal investigators in Britain and the United States found what they said was evidence of widespread frand at the bank; The liquidator, the accounting firm

of Touche Ross, must file its damage, claim, specifying the financial harm allegedly caused by the auditors, no later than Thursday, people in volved in the case said. As they did in March, when the suits were filed, Price Waterhouse and Ernst & Young denied the alless gations by Touche Ross and said they believed they would be vindig cated in court

Press reports Wednesday said the liquidator would seek \$8 billion in damages. Price Waterhouse and Ernst & Young said they were not aware that the claim had actually been filed.

CURRENCY & INTEREST RATES

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Penalties Halt As Eurotunnel Gains Funding

LONDON - Eurotunnel PLC won some financial breathing space Wednesday, allowing it to complete the Channel tunnel.

An international arbitration panel ruled that Eurotunnel no longer had to pay £50 million (\$88.5 million) in penalties each month to TransManche Link, the British-French tunnel contractors consortium, pending settlement of a £1.27 billion

Also, Eurotennel's banking consortium allowed it to draw funds for two months after Oct. I, even though Eurotunnel is technically in breach of agreements attached to its £7.3 bil-

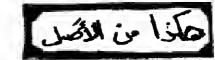
A Eurotunnel spokesman said TML would keep the £200 million in penalty payments made so far in a special account toward any payments to be made in the final settlement.

dispute over cost overruns.

fion of loans.

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Tandy Corporation has always been a big name in the States. Last year we sold 600,000 computers and other electronic equipment for US 4.5 billion dollars.

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In just a few weeks we'll be announcing the launch of a revolutionary new product. It's guaranteed to ruffle a few feathers.

TANDY GRID

Compiled by Our Staff From Dispatches
NEW YORK — U.S. stocks sed slightly higher Wednesday on buying related to the end of the third quarter, but enthusiasm was capped by anticipation of Friday's employment report for September. raders said they were surprised the market's resilience, as the

N.Y. Stocks

outlook for the economy and corprate earnings remains weak. "People have thrown everything including the kitchen sink at the market and it's still standing," said Jack Solomon, market analyst at

Bear Stearns. The Dow Jones industrial average gained 4.86 points, to 3,271.66. Advancing common stocks outnumbered declining issues by a margin of about 8 to 5 on the New York Stock Exchange, where trading was moderate, with about 185

million shares changing hands, up from 172 million on Tuesday, "We're all waiting for Friday," said Alice Sadlo, a first vice president at McDonald & Co., referring to the jobs report. "People are exrecting the number to be weak. They are expecting the Fed to low-

The latest market concern centers on IBM, which is taking an after-tax charge of about \$3.3 billion against 1992 earnings to reduce its work force and to write off maoufacturing boildings and equipment, analysts said.

IBM's stock is at a 10-year low, closing ¼ lower at 80¾.

Computervision was the most active issue on the Big Board, falling 31/4, to 61/4, on news that thirdquarter earnings and sales will fall below targets set by the company. Computervision's stock is now al most 50 percent below its initial public offering price of \$12 a share

U.S. Bioscience led the American Stock Exchange actives, falling 1½, to 7¼. Alex. Brown cut its rating on the stock on Tuesday be-

Perrigo led the over-the-counter actives, off ¼ at 32 after the maker of pharmaceuticals and personal care products announced a 5 million share offering of common

stock at \$32 a share.

Continued from page 1) government securities, on Tuesday issued an unusual denial that "it was planning any measures of any kind whatever" beyond those al-

resdy made public. Nevertheless the cabinet met late Thursday to discuss sharp budget cufts amid signs of a battle over which ministries should bear the burden of spending cuts.

Although a sharp rise in a key Bank of Italy money market rate on

Foreign Exchange

Wednesday morning sent a clear signal that no hasty cuts in official rates were being contemplated, the life was unable to stage much of a

The current value of the Italian currency is a far cry from the 820 tre ceiling for the mark under the exchange-rate mechanism. But the Bank of Italy was forced to throw in the towel and stop seeking to defend the lira within the ERM on Sept. 17. Months of dogged defense painst speculators - convinced taly's daunting economic and financial problems added up to devaluation - drained reserves.

Meanwhile, comments by a council member of the Bundesnk Germany's influential cendi bank, that interest rates might oft fall for months, plus the speculation on a cut in U.S. rates, piled pressure on the dollar, although it recovered from its worst levels to

On Tuesday, Lothar Müller, a

WORLD STOCK MARKETS

situation, it makes you wonder how much good that would do."

cause of concerns about the safety and efficacy of U.S. Bioscience's

(Reuters, Bloomberg)

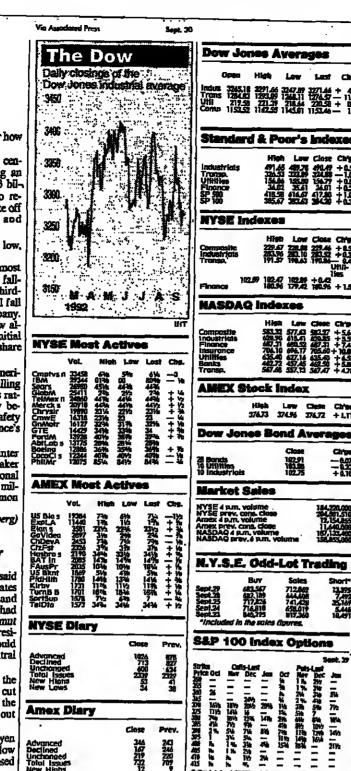
EIRA: New Pressure on Currency

Bundesbank council member, said it may be possible for German rates to be cut in about six months, and not Friday as the market had hoped. On Wednesday, Helmut Schlesinger, the Bundesbank president, warned the market it should not try to anticipate the central

bank's next policy moves. Meanwhile, analysts said the Federal Reserve Board could cut U.S. interest rates on Friday if the oonfarm payroll figures due out that day are poor.

The dollar closed at 119.90 yen on Wednesday, after falling as low as 118.60 during the day. It closed

at 119.25 yen on Tuesday.
The dollar slipped to 1.4113 DM,
down from 1.4125 DM, but rose to
1.2350 Swiss francs from 1.2273. It closed at 4.7745 French francs,



EUROPEAN FUTURES High Low Prev.Clos May 194.08 282.0 Amy 194.00 200.0 Oct 192.00 198.0 Est. Sales N.A. COCDA (FOX) Sterilos per me High Low Close Chrys 583.25 577.63 921.27 + 5.44 629.96 615.41 626.55 + 5.79 687.11 626.72 627.31 + 7.40 706.10 696.17 705.60 + 10.00 635.06 627.16 635.40 + 6.55 462.72 457.65 462.90 + 5.00 587.65 557.61 567.47 + 4.78 High Law Class Chies 37673 37496 37672 + L11 1314.06 1314.00 1287.00 1290.00 1302.00 1303.00 1264.00 1287.00

To Our Readers problems at the source. **Spot Commodities** Dividends J-MONTH EUROMARKS (LIFFE) DMI million - pts of 160 pct

industrials High Low Last Settle NRENT CHUDN OIL (IPE) U.S. delians per barrel-lets of 1,000 Stock Indexes

Certain European futures prices and Paris stock quotes were not available for this edition due to-

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parce Opis for

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Home Communications Venture Set

NEW YORK (AP) — Apple Computer Inc., Eastman Kodak Coulons Corning Inc. are among more than a dozen companies planning to slidy communications systems that could deliver movies on demand, electronic newspapers and other services to homes, industry executives said Wednesday.

The venture, to be called First Cities, will be announced next week, said the executives, spoking on condition of anonymity. The group is condinated by the Microelectronics and Computer Technology Corp., a computer industry consortium in Austin, Texas.

Apple confirmed it was part of the group. But an Apple spokesman declined to comment on what services the group would study or who would own the system. Spokesmen for Kodak and Coming had no comment. Industry executives said the other members include regional Bell telephone companies, but it was unclear which ones.

O&Y Unit Seeks Extension on Debt

NEW YORK (Combined Dispatches) — The U.S. subsidiary of the embattled Canadian company Olympia & York Devlopments Ltd. The sented a plan on Wednesday to rescue the subsidiaries U.S. properties asking bankers to suspend principal payments on debts for five years.

Olympia & York U.S. Holdings Co., said that if its creditors accepted the plan and it was successfully carried out, the properties would generate about \$80 million annually after operating expenses, leasing costs, debt service and partnership distributions by 1995.

The company did not offer any emity in its buildings, even though its properties.

service and partnership distributions by 1995.

The company did not offer any equity in its buildings, even though it is in default on some loans. It also did not seek any more money, and it pledged that no money would be diverted to the parent. (AP, Renter)

Hunt Bankruptcy Claims Dismissed

DALLAS (Bloomberg) — A U.S. bankruptcy judge has displaced racketeering claims against 46 members of the Hunt family.

The claims brought by the trustees liquidating the financial empires of Nelson Bunker Hunt and William Herbert Hunt, were part of a lawarit to recover more than \$100 million in assets that the brothers allegeltly shuffled to relatives before filing for bankruptcy in 1988.

U.S. Bankruptcy Judge Harold Abramson ruled that the mosters that not have the authority to recover triple damages from family members under the Racketeering Infinenced and Corrupt Organizations have

Pennzoil to Acquire Chervon PBC

HOUSTON (UPI) — Pennzoil Inc. announced Wednesday plans to exchange 48 percent of its \$2.2 billion investment in Chevron Corp. fos all the stock of Chevron PBC Inc. The Chevron subsidiary owns oil and gas producing properties in the

Gulf of Mexico, along the Gulf Coast and in the Permian Basin in the Midland, Texas, area. A definitive agreement approved by the boards of both companies calls for Pennzoil to transfer 15.7 million shares of Chevron Cosp. stock in a

tax-free exchange for all of the stock in Chevrou PBC. U.S. Aide Warns on Russian Reforms

WASHINGTON (Reuters) - Russia has made progress in transforming its economy from communism to capitalism, but the reform program faces many obstacles and could still collapse, the U.S. Treasury undersecretary, David Mulford, said Wednesday.

"It's shipping," said Mr. Mulford of President Borin N. Yeltari, program to free most prices, sell off state-owned concerns and step

monetary policy tight. But he said in broadcast remarks that was to be expected in a

For the Record

Hughes Information Technology Co. has won a \$685 million contract? for a computer system to store and disseminate satellite information on global environmental changes, the National Aeronautics and Space Administration said.

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BANKS: Concerns About U.K. Rates Hurt Sentiment

(Continued from first finance page) government's economic policy is,"

government's economic policy is," said Graham Jinks, an analyst at Barclays de Zoete Wedd.

In spite of all the optimism that surrounded Britain's decision to steer an independent economic course, the weak outlook for the banks, and by extension for the conomy as a whole, is little changed. Some brokers have lowered earnings estimates on British

banks, and most bankers and analysts still look to the second half of cent of that to borrowers," predict-

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U.S. FUTURES

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71.44 71.49 71.13

Stock Indexes

A SP COMP, INDIX (CME)

points and cents

42.0 37.0 Sep

42.0 37.0 Dec. 418.0 410.0 418.4 411.0 + 40

42.0 37.5 Mor 417.15 418.70 418.0 + 75

22.25 407.0 Jun

Est. Soles

Prev. Day Open Int. 160.67 up 1.36

HYSE COMP. INDEX (NPFEI

points and cents

22.05 78.5 Dec. 278.6 228.6 228.6 229.4 + 40

221.07 222.0 Mor 228.6 229.15 228.6 229.4 + 40

222.0 277.5 Jun

Sep

Est. Soles

Prev. Soles

Prev. Day Open Int. 5.401 up 275

Market Guide

| Close Prev. | Close Prev. | Close Prev. | Close | Cl Alberto Energy
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and the desired the second France Opts for Wider Deficit EC Clears Real Estate Provisions

By Guy Collins Bloomberg Business News

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Cherry Line

PARIS - With its tax revenues depressed and a general election looming in March, the French government was faced with a choice between throttling an economic recovery by increasing taxes or allowing its

budget deficit to grow.

On Wednesday, it announced plans for a wider budget deficit. Government officials said the choice was made for sound economic reasons, was made for sound economic reasons, leaders said it was done for political purposes.

Martin Malvy, a government spokesman was made for sound economic reasons, but opposition

Martin Malvy, a government spokesman, said Prime Minister Pierre Béregovoy told his cabinet on Wednesday that the budget deficit was necessary if But the property of France wanted to avoid accentuating the economic slowdown by putting a brake on demand.

In releasing its draft 1993 budget, the government said it was targeting a deficit of 165.4 billion francs billion to 180 billion franc ocathe initial target of 90 billion.
Nonetheless, the growth in
the "weakest of any Europear (\$33.08 billion), representing 2.2 percent of gross domestic product. That compares with a projected 170 billion to 180 billion frame deficit this year, up from

ifit [) is Injust the weaker Mr. Malvy said. Nonetheless, the growth in the budget deficit will the "weakest of any European Community country,"

said. "Compared to the stranglehold interest rates have on the economy." Mr. Rooney said, "it's doubtful any

deficit would be large enough to change things."

While Mr. Beregovoy and Finance Minister Michel
Sapin described the budget as a prudent move, leaders of the center-right opposition decried the plan.

"The deficit is growing spectacularly," said Gérard Longuet, leader of the right-wing Republican Party. "Nothing is being done to adapt the country to difficult economic circumstances."

France plans 1993 tax revenue of 1,210 trillion francs and public spending of 1.376 trillion. Priority in spending is being given to education, employment, agriculture and justice. Education spending will rise by 20 billion francs, while spending on fighting memployment, a government priority, will rise 5.3 percent.

Tax changes in the budget include a cut in the company earnings tax to 33.3 percent from 34 percent. Households will receive income-tax breaks on children attending school and on employing domestic help, while the car industry should receive a boost from a 2,000 franc tax rebate on purchases of new cars fitted with catalytic converters.

take any and the second of the GM: The Sum of the Parts Is to Cost a Whole Lot Less

As the of Superior Complete State of the factory surveys, within GM and among outside suppliers, to scruti-nize every step of the work process strain (s.) property hervon PBC and whether it adds value or wastes energy. Within a year, Mr. Lopez said, about 1,000 such surveys of suppliers will be completed and "we will see the success."

Many would say the changes are not a moment too soon. Years of complacent relationships with its suppliers have rewarded GM with the highest costs among major automakers. GM's own subsidiarcompany's parts and components.

are among the biggest culprits. Alarmed by the antomaker's fail- price. ure to address this and other issues, GM's nonemployee directors last April abruptly demoted Lloyd Reuss and promoted Mr. Smith, the head of GM Europe, to restructure North American operations. Mr. Lopez, who was Smith's purchasing chief in Europe, has jumped into the fray with apoca-

ond-class countries in the global economy.

Reduced to its essence, the gospel Mr. Lopez spreads is "lean production," a version of Toyota Motor Corp.'s production system that tries to eliminate all wasted labor and material, while maximizing at-

tention to customer satisfaction. While giving Toyota its dne, Mr. Lopez asserts our system is better than Toyota's. We have scientific methods; they work mostly by intuition.

Traditionally, American suppliies, which supply 70 percent of the ers have figured what it costs to produce a part. Then they add profit to cost, and the sum is the

> But Toyota, and now GM, have turned that accounting on its head. They first determine the price that represents the lowest amount a customer will pay for a part anywhere in the world. The supplier, to win a contract, then must squeeze its cost below that price in order to make a

succeed," Mr. Lopez said. "The losers are the ones who never go to their plants, who don't know where the value is added, who don't know where the waste is and who are separated from their operations by

layers of management. In Europe, for several years running, Mr. Lopez achieved an imreductions from suppliers, according to Joseph G. Paul, an analyst at Sanford C. Bernstein & Co. in New York. "The lure of Mr. Lopez's track record is ennrmous," be

wrote in one report on GM. Mr. Paul cited a reported target \$30 billion in GM's parts purchases in the United States. Others estimated Mr. Lopez may try to slice \$5 billion from GM's worldwide parts bill,

Just matching his European per-formance in North America will be difficult for Mr. Lopez, according to Mr. Paul. Suppliers in Europe were fatter, he wrote, and many lyptic fervor.

"Even if you are the best in qual"If we lose this battle," he said,
"we will face the prospect of becoming second-class citizens in sec-

The budget deficit is not big enough to jump-start the economy out of the European slowdown, economists Du Pont-ICI Loom Over Suez Profit

Asset Swap

BRUSSELS - The European Commission said nn Wednesday it had cleared an acquisition making Du Pont Co. the largest carpet-fiber manufacturer in the European Community, but not without trimming its wings.

After months of inquiry and intense talks, it said it had allowed Du Pont to buy the nylon fibers business of Britain's Imperial Chemical Industries PLC provided the U.S. company sells part of the new empire th a rival.

"It really is a sale of part of the business," the competition commissioner, Sir Leon Brittan, said after he and the other commissioners decided to give the green light to the deal.

Sir Loon said Du Pont could have dominated the EC market for fiber used in velour and other syn-thetic carpets. But it had agreed to hand over about 12,000 metric tons of its fiber production capacity to a rival, which has yet to be chosen, and also to surrender a research and development center that it will acquire from ICL

This would cut Du Pont's future pressive 2.1 percent annual price share of the market to less than 38 percent from 43 percent and maintain competition from rivals such as Rhone Poulenc/Suia, which has about a quarter of the market, and four smaller producers.

Sir Leon stressed it was up to U.S. regulators to rule on the other of \$3 billion in savings from about part of a the deal between Du Pont and ICL under which ICI will take over Du Pont's acrylics business.

In a statement from Du Pont's European headquarters in Geneva, chief executive Edgar Woolard welcomed the decision and said Du Pont and ICI were optimistic about getting approval from the Federal Trade Commission.

The agreement stipulates that ICI will trade its global nylon business interests for Du Pont's acrylic business and £250 million (\$443 multion) in cash.

provisions against real estate losses toine Jeancourt-Galignani said by two of its banking units, Banque Wednesday. Indosuez and Banque La Henin.

would clearly remain in profit and that its dividend policy would not

The stock of the financial concern plummeted 5.6 percent, to 226 francs in early trading approaching its 1992 low of 219.40 francs; But it rebounded to close at 239 francs, off 50 centimes from Tuesday.

The financial services company said it made real estate provisions for the twn troubled banks of 1.7 billion francs in the first half. That took real estate risk provisions for Suez to more than 2 billion francs, compared with 400 million francs a

year earlier. current slump in the Paris real es-

Deadline in Oilseed Dispute

GENEVA — The United States has given the European Community until midday. Thursday to agree to binding arbitration under GATT authority on a six-year-old oilseeds dispute.

Contacts with EC representatives indicated the Community would

An EC spokesman said talks would continue, but be added, "We

Mr. Yerva refused to say if Washington would carry out a threat to impose \$1 billion in sanctions on EC food imports if the deadline was not met. "We would have to reflect on the next steps. That is a

determination for the people at the highest levels of my government."

The United States has proposed a neutral GATT panel decide the amount of compensation to be paid to non-EC producers of soy-beans and other oilseeds to offset EC subsidies.

probably not accept the deadline, Rufus Yerxa, said the U.S.

representative to the General Agreement on Tariffs and Trade.

have never accepted binding arbitration."

tate market, it said.

"The consolidated profit, taking PARIS - Compagnie de Suez account of the coverage of property said Wednesday it would report risks, while remaining clearly posisharply lower first-half profit tive, should be substantially lower caused by a quintupling of provi- than the 1.8 billion-franc level seen sions taken primarily against risky in the first half of 1991." Suez said.

property investments.

Sucz said it expected first-half net profit to be substantially lower than last year's 1.83 billion French francs (\$379 million) as a result of ond half of the year, chairman Anond the substantial of the year, chairman Anond the succession of the year, chairman Anond the succession of the year, chairman Anond the succession of the year, chairman Anond the year chairman and year than year than

Indosuez said that its profit in the It said at the same time that it first half had plummeted to 81 milhon francs from 517 million francs last year, mainly due to a large increase in provisions. Those had risen to 1.39 billion francs from 544 million a year earlier. Provisions amounted to 662 million francs for the property sector alone.

> Banque La Henin, the other bank, announced Wednesday that its consolidated net profit was only 6 milling francs for the first half less then a tenth of the 66.5 million francs earned a year ago.

Banque La Henin has a strong presence in the property sector. It ear earlier.

Said its operating profit, before
The provisions result from the provisions, was up by 1 percent
arrent slump in the Paris real es-(Reuters, AFP, Bloomberg)

Investor's Europe Frankfurt London FTSE 100 Index **CAC 40** 2100 2/00 Exchange **CBS Trend** 110.90 111.00 -0.09 Stock Index 5,438,98 Brussels 5,418,48 +0.36 Frankfurt 1,466,36 1,475.26 0.67 584.38 583.58 10.14 611.62 +2.51 Financial Times 30 1,860.60 1,876.60 0.85 London FTSE 100 2,553.00 2,565.50 0.49 Madrid 192.95 193.82 **-**0.35 Milan 717.00 711.00 10.84 Paris CAC 40 1,736,73 1,731.98 40.28 Stockholm 810.72 763.29 Affaersvæeriden +6.21 364.76 4.32 6.30 638.40 640.30

Very briefly:

w Alcatel Alsthom of France said first-half net profit rose 20 percent from a year earlier, to 3.115 billion francs (\$648 million), and its sales rose 6. percent, to 79.48 billion francs. The communications, transportation and energy conglomerate said it expected similar growth in the second half.

"Pernod-Ricard SA's net income rose 67.9 percent in the first half, to 502 million French francs, despite a "depressed" French market; excluding nne-timne items, profit was up 30.1 percent, to 389 million francs.

Municipal Municipal Municipal Insurance, which specializes in insuring British local governments, suspended operations pending talks on its future with share-bolders and potential buyers; it has ended discussions with Garantie. Mutuelles des Fonctionnaires of France about a possible acquisition.

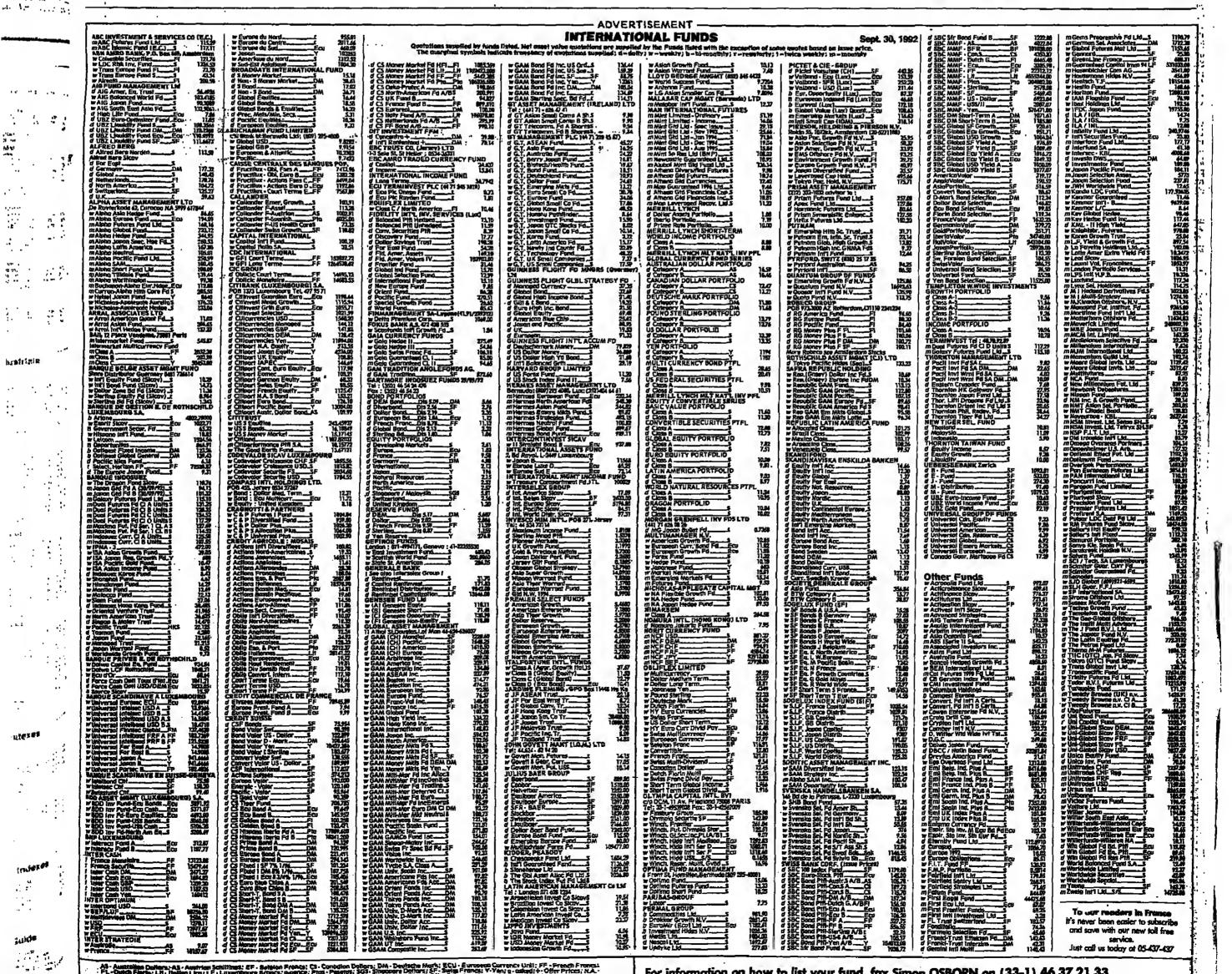
Powergen PLC, a British electricity supplier, said it would cut 120 jobs and cease power generation from units throughout England generating a total of 1,200 megawatts by March 1993.

w Ratners Group PLC, the British jewelry retailer, said its first-half pretax loss widened to £30.6 million from £17.7 million a year earlier and that it would not pay a first-half dividend.

" Royal Dutch/Shell Group said its Shell Development Sakhalin BV unit-had signed an agreement with the MMM consortium to join a feasibility study to develop oilfields off Sakhalin Island in Russia's Far East.

" Philip Morris Cos.'s board approved a proposed offer by its Kraft' General Foods Inc. unit to buy Fria Marabou A/S. Hershey Foods Corp. is considering a higher bid.

AFX AFP, Reuters, Bloomberg



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(Continued from Back Page)

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Page 15. FOR MORE **CLASSIFIEDS**

Hutchison Cedes Pay-TV Bid to Wharf

the company who asked not to be identified.

Hong Kong officials tried to put the best face on the fact that only a single hid was submitted, stressing that Wharf's proposal

The company has said it was ready to

spend as much as 5 billion Hong Kong dol-

By Laurence Zuckerman

International Herald Tribune HONG KONG - Hutchison Whampoa Ltd., the diversified conglomerate controlled by the billionaire Li Ka-shing, surprised com-petitors and local officials Wednesday by electing not to bid for the colony's first paytelevision franchise.

The decision, which reportedly was made only hours before the deadline for submitting tenders expired, left Wharf Cable, a unit of rival Wharf (Holdings) Ltd., as the sole bid-der for the franchise, which is expected to require an investment of 5 billion Hong Kong dollars (\$646 million).

It also apparently denies Hutchison's partners — the U.S. cable giants Comeast Corp., Telecommunications Inc., and Time Warner Inc. - a chance to enter what is generally considered to be one of the region's most lucrative television markets.

Hutchison executives refused to comment on the decision, issuing only a terse statement saying the company had carefully studied the matter and had refuciantly chosen to not to submit a bid.

Hutchison Whampoa stock fell 40 cents, to 14:70 Hong Kong dollars.

Alex Ho, an analyst at Jardine Fleming Broking Ltd., said he thought the company was repositioning itself, perhaps by focusing more directly on China.

A lot of people are putting a negative spin on what has been happening, but I think there may be a lot of positive stories coming out in the next weeks and months," he said. Executives apparently made the decision Wednesday, according to insiders. "I'm shocked I don't believe it. I thought it was a bluff all the way," said an executive close to

BANGKOK - Business leaders on Wednesday

praised Prime Minister Chuan Leekpai's new econom-

ic team and said they expected the government to follow the economic liberalization policies begun by

The prime minister enlisted Thailand's top bankers

and economists to help him revive economic growth, which has been hurt in the past 19 months by a coup in

carly 1991 and street riots in May, His cabinet was approved Tuesday night by King Bhumibol Adulyade

Mr. Chuan, who replaces the interim government of

Anand Panyarachun following elections two weeks

ago, emphasized the importance he attached to the

economy by excluding members of Parliament from

Mr. Chuan gave three of his four deputy prime

• Amnuay Virawan, executive board chairman of

Bangkok Bank Ltd., head of the National Economic

and Social Development Board, a government re-search institute, and a former finance minister, has

· Supachai Panitchpakdi, president and chief exec-

unive of the Thai Military Bank Ltd. and a former

advocated the privatization of state enterprises.

most key economic posts in favor of outsiders.

ministers responsibility for economic affairs:

his predecessor.

and will be sworn in Thursday.

lars to construct a 20-channel microwave Hutchison's U.S. partners — Comcast,

would not receive a rubber stamp.

Telecommunications Inc., and Time Warner lost a chance to enter a lucrative market.

system with original local programing that would later be replaced by a fiber-optic octwork. Its partners in the project are United International Holdings, a multichannel television-service operator and NYNEX Network Systems, a unit of NYNEX Corp., the

New York-based Baby Bell. The announcement is the latest chapter in saga of corporate rivalry and government foot-dragging that has kept pay television from Hong Kong. More than 1.7 million households have televisions in this colony of

5.8 million people.
In 1989, Hutchison was expected to win the franchise when Wharf and several foreign partners entered what turned out to be the winning bid. The following year, however, internal feuding caused the consortium to

Thai Leader's New Economic Team

Wins Praise From Business Leaders

By that time, Hntchison had decided to abandon cable, investing instead in STAR-TV, a 5-channel regional satellite television service that has been broadcasting to a growing viewership for the past 13 months. In a recent newspaper interview, Richard

Li, Mr. Li's 25-year-old son who is deputy chairman of STAR-TV, expressed concern that the government might be biased against the company's pay-television bid. Wharf and other competitors have criticized Hong Kong officials for favoring STAR-TV

by agreeing to lift regulatory restrictions that would have made it more difficult for STAR to compete with a local cable operator.

Two companies that were expected to submit bids for the franchise - Broadcasts Ltd., one of the colony's two terrestrial broadcasters, and Millisat, an international pay television operator — withdrew from the bidding in recent days, claiming the government's expressed preference for a second hard-wire

network made the project too expensive. Several observers said Mr. Li may have come to the same conclusion, especially since he is well positioned to compete with any cable system after the government's exclusive three-year franchise expires.

"K.S. Li knows that he can still come in three years from now and deliver 40 channels of satellite programing directly to consumers without having to build a cable network," said one industry source, who asked not to be

Others claimed Hutchison, which registered a loss for the first time in more than a decade earlier this year, was retrenching because of its exposure to Husky Oil Ltd., its troubled Canadian energy unit, as well as heavy investments mmications in Britain

Japan Housing Starts: Hint of a Turnaround?

TOKYO - A 12 percent increase in Japanese housing starts in August is a sign the country's battered housing industry may be headed toward recovery, but some analysis say weak land prices mean it is still too early for celebration. The upbeat figure released by the

Construction Ministry on Wednesday was far higher than a consensus forecast by real estate analysts of a 7.9 percent increase.

While acknowledging that the re-port was cause for optimism, a ministry official, Hajime Suzuki, cautioned that "you can't say that this is an overall recovery." After declining on a year-on-

year basis for 19 out of the 20 months to May, housing starts have edged higher, gaining 1.0 percent in June and 4.9 percent in July. The 12 percent increase last month represents more than 123,000 units, the ministry said.

However, Mr. Suzuki noted, only two of three major categories of housing starts, measured by applications to build new homes, posted improvement. They rose 27.0 per-cent for rental properties and 22.3 percent for owner-occupied homes. But a third category, condomini-ums and houses built for sale by developers declined 29.3 percent, dragged down by depressed prop-erty prices, Mr. Suzuki said. What you have is a three-piston

industry here," said Peter Sanborn, a property market analyst at Jar-dine Fleming Securities. "Two pistons are doing fine while the third

is in bad need of a valve job." The numbers illustrate the hard times that have hit Japan's market for property development. After rishing in the easy-money years of the late 1980s, the market for high-priced condominiums and housing projects now is glutted, with potential buyers wary of purchasing est rates.

Japan Consumers Pinch their Yen

Bloomberg Business News TOKYO - Squeezed by the one of Japan's worst postwar economic shumps, consumers are not only shunning luxury goods but are even searching for ways to cut corners on grocery bills.

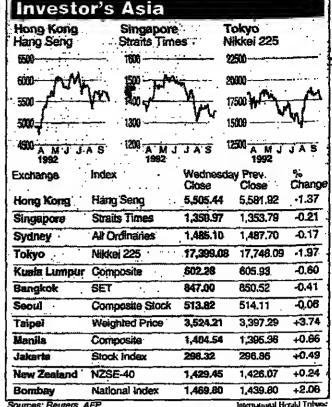
Food sales, usually considered immune from economic downturns, inched up by only 0.2 percent at department stores and 1.7 percent at supermarkets in August on a year-to-year basis, compared with rises of more than 6 percent in both categories a year ago.

"People are opting for lower-priced items," said Victoria Melendez, a retail analyst at Jardine Fleming Securities. "They're not buying high-priced things like beef anymore."

homes while the value of the land underneath them is in question. Residential land prices in the Tokyo metropolitan area on July 1 were down 15 percent from a year earlier, and down 20 percent from a peak on July 1, 1988, according to a recent National Tax Agency study. Analysts say property values na-tionwide have fallen even further.

The threat of further declines in land prices and the oversupply of units huilt for sale have caused developers to slash plans to build more houses. Analysts say a recovery in housing starts by developers

could take years. Still, the overall increase in August is one of the few upbeat signs in a stream of grim economic news over the past two years. The housing industry tends to respond more quickly than others to lower inter-



Very briefly:

 The Tokyo District Prosecutor's Office has decided not to file charges, against Nomura Securities Co. or its former executores in connection with improper compensation of client losses and manipulating stock prices, a Nomura spokesman said. The prosecutor's office refused to comment.

Toyota Mosor Corp. said it would begin selling a new electric van in Japan in January, and that it expected to sell about 40 of the vehicles, priced at \$66,700 each, in the first year, mostly to government offices.

• Taiwan Power Co.'s former chairman. Chen Lan-kao and former president, Chu Shu-lin, were each sentenced to two and a half years in prison for overpaying a U.S. coal dealer 3.5 billion Taiwan dollars (\$138.7 million) as favors in illegal coal transactions.

 Dyno Industrier A/S of Norway said it would build a \$12 milliou industrial resins plant in Pasir Gudang, Malaysia, and transfer its alkyd and polyester production from Singapore to the new plant.

 Japanese companies made 156 total or partial acquisitions of foreign companies in the first nine months of 1992, down 20 percent from the like period last year, Daiwa Institute of Research said.

 The Japanese Ministry of Construction said orders to 50 major Japanese construction companies in August fell 6.6 percent from August 1991, to 2.036 trillion yen (\$17 billion), in the fifth consecutive moothly decline. Nichimen Corp. of Japan has received a 1 billion yen order from

plant in the former Soviet republic, the Nihon Keizai Shimbun said. Cray Research Inc.'s chairman, John Rollwagen, will visit Japan on Oct. 9 for the release of a Japanese government report oo Cray's allegations of unfair supercomputer procurement, the company said.

Azerbaijan for a control system and control valve for use at an ethylene

 State Street Boston Corp. opened an office in Taipei to provide trade banking and financial-asset services.

Renders, AP, AFA, Bloomberg

Honda Sells to Israel

TOKYO - Honda Motor Co, said Wednesday it would export cars to Israel, becoming the latest in a series of Japanese companies to buck an informal Arab boycott to take advantage of a growing market. Honda, Japan's third-largest carmaker, will begin exporting its Japanese-made Civic and Legend passenger car models to Israel beginning in late October, said Yo Harada, a Honda spokesman. Honda has been exporting cars to Israel from its U.S. factory since

1990, but this will be the first shipments from Japan. Honda apparently felt little reason to uphold the Arab boycott with at least six other Japanese carmakers already selling in Israel. Japanese companies have been so successful in Israel they now cootrol 70 percent of the automobile market.

Houda aims to ship 800 cars from Japan to Israel by the end of the 1992 financial year in March and will target sales of 1,500 cars the following year, Mr. Harada said. -

lo years past, Japanese companies felt restrained by Arab calls to boycott Israel. Japan, which depends on Arab nations for much of its oil, long did not want to risk that supply by breaking the boycott. Uotil last year, Israel had the uncommon distinction of carrying a Japan's exports to Israel totaled \$738 million in 1991, compared with

Israel's \$737 million in exports to Japan. Other Japanese automakers exporting to Israel include Toyota Motor Corp., Mazda Motor Corp., Mitsubishi Motors Corp., Suzuki Motor Co., Daihatsu Motor Co. and Puji Heavy Industries Ltd., the maker of Subaru cars.

South Korea's Trade Surplus Ends a 2-Year Deficit Trend

SEOUL - South Korea will register a trade surplus of about \$200 million in September for the second straight month, ending a two-year trend of large deficits, officials said Wednesday. It would be the first time in 31 months that South Korea would register trade surpluses for two consecutive months.

The government also said inflation fell sharply in September. But improvement in the two key indicators of South Korea's economic health did little to dispel gloomy expectations of economic stagnation. Inflation gauged by the consumer price index rose only 4.8 percent in the first nine months of the year, a sharp drop from the 8.4 percent rise in the same period last year, the Economic Planning Board said.

(AP, Reuers)

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deputy sinance minister, is regarded as a liberal savoring free-market economic policies.

• Booncho Rojanastien, who was president of Bangkok Bank in the 1970s and is now a senior member of Parliament from the Righteous Force par ty, has long proposed bigger rural development budets to help narrow the wide income gap between urban and provincial Thais. Tarrin Nimmanahaeminda agreed to resign as president of Siam Commercial Bank Ltd. and chairman of

the Thai Bankers Association to become finance "They individually represent Thailand's best," said Somchai Pakaparkvivat, vice rector of Thammasat

University. "They are people who are comfortable keeping the momentum of trade and industrial liberalization started by Anand." Mr. Somchai, however, voiced the concern of some

analysts about how the bankers will perform as a team. "I have a little doubt about teamwork efficien-" he said, "We're waiting to see how their responsibility is being allocated." Business leaders said the former bankers would

advocate increased fiscal spending to keep the Thai economy growing oear the official 7 percent to 8. percent target. But just how much will be spent, and here, will be the subject of heated debate, they said.

(Reuters, Bloomberg)

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Chia Tai to Buy 25% Holding In TelecomAsia

Bloomberg Business News HONG KONG — Chia Tai International, a Hong Kong investment company, said Wednesday that it would buy a 25 percent stake in Telecom-Asia Corp., a major Thai telecommunications company, for 4.3 billion Hong Kong dollars (\$551 million).

The stake is being purchased from Charoen Pokphaod Group of Thailand, which controls both companies.
It will be paid for through

the issue of 1.59 billion new Chia Tai shares at 2.70 dollars each to C.P. Pacific Investments, a Charoen Pokphand subsidiary.

TelecomAsia has the concession from the Thai government to establish and operate 2 million new telephone lines in the greater Bangkok metropolitan area.

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Asia's **Alphabet** Age: Big **Blocs** and **Buzzwords**

Trade relations in the Asia-Pacific region have entered what might be called the Alphabet Age, an anxious and somewhat ambiguous era in which NAFTA, AFTA, APEC end EAEC have become buzzwords in a growing confrontation between buyers and sellers on either side of the

The unveiling of the North American Free Trade Agreement on Aug. 12 sent Southeast Asian nations into a psychological free-fall, with government and business leaders either scrambling to minimize the landmark agreement's impact on Asia-Pacific trade or going to the opposite extreme with dire forecasts of economic doorn.

NAFTA has spurred Southeast Asian leaders to push ahead with ambitious plans for their own trade blocs in what could eventually become e ferocious economic battle that divides

tha globe into rival camps.
"We want to build bridges between the Asian economies and the American economies to avoid the nightmare scenario of major warring blocs developing in the two regions," said Gareth Evans, Australian minister of foreign affairs and trade, after the NAFTA angouncement. More people, however, seem to be listening to the sentiments of Malaysian Prime Minister Mahathir bin Mohamad, who has called on neighboring nations to "work toward establishment of e [Southeast Asia] free-trade zone by the turn of the cen-

It is easy to see why Asians are frightened by the prospect of a huge North American trade zone. NAFTA will embrace more than 360 million consumers in the United States, Canada and Mexico when it comes into

being in 1994. Asians do not see red when it .comes to free trade across the.U.S.-Canadian border, but they seem absolutely terrified by the inclusion of Mexico. With its abundant cheap labor, rexico seems both able and willing to compete with Southeast Asia In the production of labor-intensive goods such as textiles and electronics with the added advantage of cheaper shipping because of closer proximity to major North American markets.

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The World Bank estimates that Mexico will boost its annual trade by \$2 billion from tha start; et the same time, South and Southeast Asian exports to North America are expected to fall by \$500 million per year from 1994. That half million is e drop in the bucket when one considers that total exports from the region to North America are expected to top \$350 billlon this year. The World Bank cautions, however, that the long-term numbers could be "significantly larger," depending on how Mexico takes advantage of its new status as e dutyfree gateway to the United States and

A much gloomier forecast comes from the East-West Center in Hawaii, which predicts that Southeast Asia



will lose 12 percent of its annual trade with Europe and North America as a result of NAFTA and the European Community. Among the Southeast Asian Industries that are expected to be hit hardest are chemicals, electronics, food processing, iron and steel, leather products, machinery, petro-leum products, textiles and transportation equipment.

Another fear is that major investors - especially multinational companies in Japan, South Korea, Talwan and Europe - will divert investment funds from Southeast Asie to Mexico in an attempt to take advantage of NAFTA. Stoking the flames of discontent is e recent fall in new industrial investment in the region, especially in Malaysia and Indonesia, which are finally beginning to feel the effects of the worldwide recession.

In an effort to counteract the North American and European trade blocs, Asian leaders have rushed to implement their own ideas like the ASEAN Free Trade Area, the East Asian Economic Caucus and the Asia Pacific Economic Cooperation group. The major obstacle to the serious implementation of any of these groups is that Asians cannot agree among themselves on the best course of ac-

APEC is an informal economic advisory body formed in 1989; It includes 15 nations, which account for more than a third of world trade and nearly half the global gross national product. On the membership list are the United States, Canada, Japan, China, South Korea, Taiwan, Australia, New Zealand and a number of Southeast Asian countries. The group is committed to the elimination of trada barriers and to the free flow of goods between member countries, but it has no regulatory or legislative powers.

It is quite evident that some APEC members - particularly those from Southeast Asia - are growing increasingly impatient with APEC's in-ability to affect trade and other issues. Asian members are also miffed by continuing trade disputes between Washington and various Asian nations, including China, Malaysia and

The United States, Canada and Japan remain strong APEC supporters, however, and Mexico is eager to join the body. American and Canadian officials hoped to use the Bangkok conference to dispel fears that NAFTA will harm trans-Pacific trade.

Melaysia, a somewhat reluctant APEC member, is heavily pushing en alternative group. The proposed East Asian Economic Caucus would gather the strongest Asian economies into e working body to foster better trade

Would greater unity among Southeast Asian nations help protect electronics, textiles and other labor-intensive industries from the Mexico threat?

and economic links. EAEC, however, would exclude North American and South Pacific nations, and It is strongly opposed by Washington. Not wanting to be drawn into a trade war with its major markets, Japan has wavered on its own participation, casting a shadow over EAEC's formation.

A more likely alternative is the ASEAN Free Trade Area, which includes the six members of the Association of Southeast Asian Nations: Brunel, Indonesia, Malaysia, the Philippines, Singapore and Thailand. With a combined population of more than 335 million, AFTA has nearly asmany people as does the North Ameri-

ASEAN was originally formed in 1967 to nurture commercial and cultural cooperation in the region, but for most of its life the organization has concentrated on defense collaboration as a bulwark against communism. With the disintegration of the communist threat, however, ASEAN is now being increasingly looked upon as a means of fostering better economic and trade ties.

As e reflection of how times have changed, current and former communist states like Vietnam, Laos and Cambodia are lobbying for entry, end there is also a possibility that socialist Myanmar (Burma) might join.

AFTA got off to a flying start this month at a special meeting of ASEAN economic and finance ministers in Bangkok, a meeting that ironically co-incided with the APEC Forum. Among the tangible results already achieved is a pact to greatly reduce tariffs on manufactured goods and processed foods traded between AFTA members; this policy will be implemented gradually over the next 15 years.

AFTA, however, is not likely to have much effect on intraregional trade, at least not in the beginning. Trade be-

Winners and Losers in Capital Scramble

Asia: foreign-capital availability is be-

coming tighter and the more devel-

oped economies will have to rely

much more on their own investment

Thalland's dramatic general election result, marking the Southeast Asian kingdom's first real move toward civilian democracy, has put the shine back on its appeal as a target for foreign investment. In some respecis, however, the setback that the Thais have had to cope with - a drop-off in investment caused by vioient political upheaval - reflects a general trend throughout Southeast

tween the six members currently ac-

counts for less than 20 percent (\$25

billion In 1990) of total commerce. One great shortcoming of the AFTA

eccord is that it does not include such

agricultural commodities as paim oil,

rubber and rice, which are some of

the biggest money spinners in the re-

gion. Nor does it include services or

capital goods. Furthermore, countries

can excluda certain "sensitive" Indus-

tries for the first 15 years of the treaty,

effectively protecting anything they

Joseph R. Yogerst

resources in the future. Before the military crackdown on pro-democracy activists In May, according to Robert Broadfoot, manag-Ing director of the Hong Kong-based Political and Economic Risk Consultancy Ltd., Thailand was trying to be more selective with foreign investment. This policy had begun as early as e year and e half ago, following a rush of new investment from the advanced East Asian economies. To e certain extent, Malaysia and indonesia - the rival investment "darlings" of the Association of Southeast Asian Nations - were trying to be more

selective as well. One of the reasons for restraint was the need to cool their rates of expansion; this need was caused in turn, analysts say, by infrastructural bottlenecks plecing e limit on growth.

Financial experts expect foreign money to flood back into Thailand now that a democratically elected government is in power, but some do not see Thalland retaining the appeal it enjoyed in the late 1980s. "Certainly an increase is likely, but it will not be the boom we saw in the past," says Allsa Cuthbert of Bangkok-based Jardine Fleming Thanakom Securities. This somewhat cooler Investment environment is expected to affect all the previously booming targets in Southeast Asia, prompted by global competition as much as infrastructural constraints or fears of further political

"Between 1988 and 1990, there was a huge influx of East Asian capital, principally from Taiwan and South Korea, into the ASEAN hot spots like Thailand, Malaysia and Indonesia." Mr. Broadfoot says. "But these were largely export-oriented investors driven overseas by high labor costs and looking to maintain their U.S. market

"This wave has ended - it was not

long-term investment. Now, the U.S.-Mexico free-trade agreement has given the Koreans and Taiwanese in particular better, cheaper locations in Mexico from which to penetrate the U.S. market. Both countries are also getting more heavily involved in investment and offshore manufacturing opportunities in China. They can't invest everywhere, so something has to

It is Southeast Asia thet will probably have to give. Some analysts say that the region is not likely to get the direct investment it wants in the future. The reason: Direct foreign investment will increasingly focus on the domestic markets, targeting service industries such as hospitals, medical services, public relations and

accountancy. It will also be aimed at specific capital-intensive ventures like the processing of local raw materials. The losers will be labor-intensive export industries, and this, says Mr. Broadfoot, is where the developing ASEAN economies will have to draw more deeply from the well of their own capital resources. "There will have to be more privatization and domestic capital reform, establishing opportunitles for companies to invest through the share markets in things like roads, power and telecommunications," he

For all that, Southeast Asia certainly Is not being written off as e key investment target. According to the Aslan Development Bank, foreign investment in the Asia-Pacific region generally rose from \$12 billion in 1987 to \$32 billion in 1990; while the bank has not released projections for the coming years, it says Chine and Southeast Asie will be the main recipients.

Moreover, capital markets in Asia have exploded in recent years. According to Linklaters and Paines, Hong Kong, these markets have burgeoned sevenfold, from just \$70 bil-lion in 1982 to \$500 billion in 1991, spurred by Increasing securitization and privatization. The ADB has pin-

Continued on Page 19

Infrastructure / Quantity and Quality

Investment Projects Spur Development

Throughout Southeast Asia, major Infrastructural projects - in many cases financed by North Asian investors — are transforming the land-scape and enabling the region to withstand the strains of rapid eco-

nomic growth. In the wake of the recent presidential election in the Philippines, Talwan and Singapore have been the first major regional investors to focus on opportunities there.

Convinced that the investment climate has improved after President FIdel Ramos's relatively peaceful as-sumption of power, Taiwanese investors plan to pour about \$1.6 biltion into the country, establishing new petrochemical cement, textile and manufacturing industries.

.. It is, however, Singapore's initial investment target that has aroused the most excitement. The Keppel Corp., one of Singapore's biggest conglomerates, is seen as a leading contender to redevelop the former U.S. naval base at Subic Bay Into an industrial and commercial center.

Keppel's chairman, Sim Kee Boon, has been quoted as saying ha will try to persuade Singapore Telecom, Singapore Aerospace and some petro-

Mr. Sim sees them developing e container port, telecommunication and satellite facilities, power stations, and petroleum and chemical storage areas on the site, with the Singapore



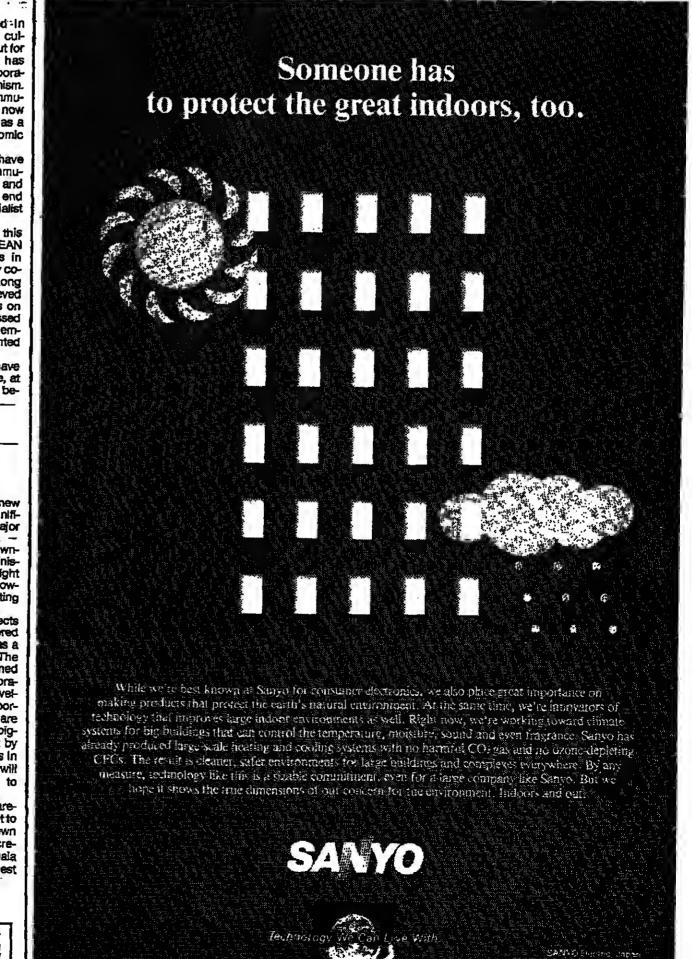
Port Authority possibly operating the container terminal.

For its part, the Philippine government has asked Keppel Corp. to come up with a more detailed investment plan for the base, and discussions have been followed up in Singapore by Richard Gordon, mayor of Olonsance, they regard the plan for new power stations as even more significant. In a bid to overcome a major drawback to foreign investment - chronic power tailures and brownouts in Manila - the Ramos edministration has approved at least eight energy projects since it came to power, the two most recent ones costing \$56.6 million.

in Malaysia, three huge projects confirmed this year have underscored tha Islamic nation's prominence as a target for foreign investment. The state oil company Petronas has joined with five local and foreign corpora-tions, including Sime Darby, to develop production, storage and transportation facilities in Sarawak; they are expected to establish the world's biggest liquefied natural gas project by 1996. The center, fed by gas fields in the South China Sea off Sarawak, will double Malaysia's LNG output to more than 15 million tons a year.

Petronas is also the majority shareholder of a consortium that is all set to develop a \$7.8 billion new downtown commercial, retail, hotel and recreational "city within a city" in Kuala

gapo City and chairman of the Subic Bay Metropolitan Authority. Lumpur. Billed as the "single largest While most economic observers see the proposed port project as vital Continued on Page 19 to the country's economic renaisleum companies to take part. This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. Peter Gwynne is a Hong Kong-based writer who specializes in science and technology. Steven J. Knipp, an American writer based in Hong Kong, covers Asia for a wide range of regional and international publications. Derek Maitland is publisher and editor-in-chief of The Pacific Traveller. Joseph R. Yogerst is a free-lance writer based in Singapore.





Sime Darby A new breed of corporate giant rising to challenge top businesses in both the Orient and the West.

FORTUNE, Fall 1990.

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ASIAWEEK, July 5, 1991.

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"... when facing recession, it still has good profits." NEW STRAITS TIMES, November 18, 1991.

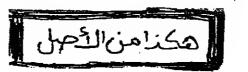
Professional management and a strategy of consolidation have resulted in Sime Darby being rated one of the rare multinationals that still reaps outstanding profits in times of recession.

Companies looking for an investment partner in the Asia Pacific region can contact Sime Darby at: The Communications Department, Sime Darby Berhad, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia. Telefax: 03-2987398, Telex: SDMAL MA 30038.



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SOUTHEAST ASIA

Tourism / Money Spinners

Tourism Offers More Than a Pretty Face

While the rest of the world wallows in recession, virtually all the economies of Southeast Asia, from Hong Kong to Indonesia, continue to prosper and grow. For the tourism industry in particular, Southeast Asia is absolutely booming, according to the Pacific Asia Travel Association.

Despite the twin traumas of the Gulf war and recession, the Asia-Pacific region recorded 48 million arrivals last year. While some 22.7 percent of these cama for business, an astonishing 40 million people cama to the region purely for pleasure.

While many European and American airlines are fighting to keep aloft, most of Asia's airlines are flying high. Singapore Airlines, Cathay Pacific and Japan Airlines are three of the world'a six most profitable carriers. Singapore's flag-carrier led the way last year by earning a tidy \$450 million.

In recent years, four new regional cerriers have been successfully launched: Hong Kong'e Dragonair, South Korea's Asiana, Singapore's Silkair and Talwan's Eva Airlines.

On the ground, splendid new hotels are opening almost every month in each of Asia's key cities. Long-estabfished Western names like Hilton, Hyatt, Sheraton, Westin, Ramada and Kempinski are racing to expand their chaine across the region. They are being joined by aggressive and highly professional Asian-based competitors such as the Regent, Mandarin, Pan Pacific and Shangri-La International.

In some places - such as Hong Kong, Thailand and Singapore - the tourism industry plays e major and even vital role in the economy, not only as an extensive employer, but

also as a major money spinner. In 1990, over 210,000 jobs were cre-

ated or already existed in Singapore's tourism industry, making it a major. employer for a nation of just 2.5 million people. Singapore's value-added income from tourism has grown by an annual rate of 9.9 percent, from 2.08 billion Singapore dollars (\$1.3 billion) in 1981 to 4.35 billion Singapore dollars in 1990. Last year, the tiny islandnation hosted 5.32 million visitors with estimated earnings of over 5 billion

Singapore dollars. Tourist arrivals in Thalland have more than doubled since 1985, rocketing from just over 2 million that year to an estimated 5.3 million this year, when the kingdom expects to earn \$4 billion to \$4.5 billion from the tourism Industry, making it the largest foreign exchange earner. The Malaysians welcomed over 5.5 million travelers, while Indonesia played host to 2.56 million vacationers last year, up from 2 million in 1990; the Indonesian tourism Industry now generates more than \$2 billion a year for the domestic economy.

Even the Philippines, which has endured more than its share of political, economic and even geological problems, sees tourism as a possible way to jump-start its sluggish economy. According to the Philippine Department of Tourism, 950,100 visitors poured \$1.28 billion into the Philippine economy last year, making it the third-largest foreign-exchange earn-er. With the country's fabulous beaches and friendly people, tourism offi-cials are convinced that tourism could eventually become the nation's biggest money spinner.

After being closed for nearly 30 years, the Chinese have opened their doors to the tourist dollar. Everywhere In China, from Xinjiang in the remote

west to the frontier town of Harbin in the far north and sunny Hainan in the deep south, the Chinese are digging out old tombs, dusting off long-forgotten ruins and preserving previously ignored historical structures.

In addition to generating hard cash and employment opportunities, the tourism industry has played e major part in spurring the overall development of the region's infrastructure.

Kuala Lumpur's new \$8 billion airport, as well as Singapore's famous Changi, were each constructed partly to cater to tourism and encourage its growth. The same is true for new airports in Maczo, Cebu and Langkawi as well as the \$162.5 million renovation of Manila's airport.

After years of competing against each other - there has already been e "Visit Thailand Year," a "Visit India Year" and e "Visit Indonesia Year" the six founding nations of the Association of Southeast Asian Nations have sagely decided to mark the 25th anniversary of the founding of ASEAN by joining forces to promote their combined cultural treasures and national attractions. ASEAN is composed of Brunel, Indonesia, Thailand, the Philippines, Singapore and Malaysia.

Though 'Visit ASEAN Year' began In January, interested participants will be pleased to know that Southeast Asia's best weather is yet to come from September until December. Visitors flying Into Asia with one of the replon's six national carriers - Singapore Airlines, Thai Alrways, Royal Brunel, Malaysia Airlines, Philippine Alrines and Garuda Indonesia - may be eligible for discounts on tickets purchased by Dec. 31.



Winners and Losers in Capital Scramble

Continued from Page 17

pointed privatization as "e major driving force for encouraging securitiza-tion of assets and facilitating the freeing of capital to aid development." The World Bank, hailing "another stellar year for the East Asian and Pacific economies," has cited China. Vietnam, Laos and Mongolia as countries that are rapidly privatizing previously state-run economies.

In Southeast Asia, Vietnam and the Philippines continue to offer the sort of frontier investment opportunities cheep, labor-intensive offshore manufacturing, mainly for export - that have been more typical of Malaysia. Indonesia and Thailand in recent

xxines, the President Fidel Ramos and tha country's apparent return to political stability have aroused the sort of Investment sentiment that was last heard years ago, when the country was regarded as having the richest econom-. ic potential in Asia. Although the economy stood still for the first half of this year, agencies like the International Monetary Fund predict a yearend growth of as much as 3 percent. The government is now testing the International capital market with a plan to float three-year bearer bonds

THOUGH STILL ONE OF THE

FASTEST-GROWING REGIONS IN THE WORLD.

SOUTHEAST ASIA IS

OFTERMINED TO EASE INFRASTRUCTURE

BOTTLENECKS, REDUCE INFLATION AND CURRENT

ROOST INTRAREGIONAL

TRADE AND INVESTMENT

PHILIPPINES

SINGAPORE

☐ INDONESIA

MALAYSIA

THAILAND'

*1993-1997

ECONOMIC PROGNOSIS 1994-1998

worth up to \$150 million in the United States and Europe, Sentiment is now running so high that Finance Secre-tary Ramon del Rosarlo has declared; We are on the brink of an economic

Vietnam's foreign-investment regulations, described as the most attractive of all the socialist economies, have so far drawn pledges of around \$5 billion In joint-venture funds. Analysts say that probably three times that amount has poured in unofficially mainly into manufacturing and property ventures - from Talwanese and Hong Kong Chinese taking advantage of family connections in Vietnam.

In a sense, Vietnam can be considered a microcosm of the general investment syndrome in Southeast Asia. billion in foreign funds by the year 2000, investment is currently constrained by the country's derellct In-

The current first wave of Taiwanese and Hong Kong Investment is follow-. ing the pattern of the past - targeting cheap-lebor menufacturing, and property, tourism and hotel development. Although major Asian developers - such as Singapore's Keppel Corp. and Hong Kong'e container port operators, Hong Kong Interna-tional Terminals - are moving into key infrastructural projects, Vietnam is resigned to waiting for the U.S. em-bargo to be lifted before securing loans needed to rebuild transportation, energy and telecommunications on a large scale: The lifting of tha embargo would free the reins of the World Bank, the IMF and Japanese

In the meantime, multinationals like Castrol and the Swedish ball-bearing manufacturer SKF have moved into Vietnam with an Interest primarily in the domestic market. "We regard Vietnam as a dynamic market for the future and an even better opportunity than other countries in the region such as Thailand," says George Webster, manager of Castrol Vietnam. Economists such as Dr. Nguyen Xuan Danh, Harvard-educated architect of Vietnam's economic liberalization, make no bones about the challenge that the country now faces. "We are way behind," he says. "We have isolated ourselves for so long. So we are in a big rush to do whatever we can to get the economy moving."

The trouble is that, after so many years in economic and political limbo. Vietnam needs massive foreign investment at a time when, as Mr. Broadfoot predicts, there may no longer be enough to go round.

Derek Maltland



Hong Kong's Ocean Park: Visitors to the colony every year almost equal the number of local residents.

Telecommunications / A Multitude of Choices

Fibers in Sea, Channels From the Sky

Southeast Asia came late to the age of modern telecommunications, but now it has definitely ar-rived. Within the past two years, the region has be-come a full-fledged global player in both satelife-television broadcasting and basic telecommunications.

Hovering above Singa-pore, the Asiasat 1 satellite beams region-wide television to 38 countries. In a nearby geocentric orbit, 22,000 miles (35,200 kilometers) above the earth's surface, e Palapa satellite relays the 24-hour-per-day CNN signal to hotels and other receiving sitas throughout the region.

Far below, on the sea-beds of the Indian and Pacific oceans and adjacent seas, multinational partnerships are laying growing amounts of fiber-optic cable. Their goal is to satisfy e huge demand for talephone, facsimile, data and video telecommunications originating and terminating

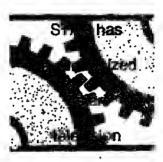
In Asia. The most notabla advance in Asian telecommunications within the past year, though, has come from STAR TV. This is a Hong Kong-based operation owned jointly by the giant Hutchison Whampoa company and a private company held by Hutchison's multimillionaire owner Li Ka-Shing.

in August last year, STAR began relaying its first channel of satellite television across a wide swath of Asia, from Japan and Korea all the way across to the Middle East. Todey, the company sends out five channels - four in English and one in Mandarin - on a 24-hour-per-day, sevenday-per-week basis. The vehicle for distribution is the Asiasat 1 satellite, which was launched in April 1990 from China's

Szechwan province. STAR has revolutionized the way in which many Asians regard television. Its English-language channels have a diverse global appeal. BBC World Service, in its commercial debut, provides STAR viewers with news; Prime Sports of Denver, Colorado supplies allday sports; MTV offers a version of its U.S. programming, toned down for more conservative Asian tastes; and STAR Plus is an entertainment channel filled with episodes from American and British shows.

in countries that have traditionally offered viewers no more than a handful of conventional channels, the availability of multiple channels from the sky presents e remarkable new world of choice for viewers, it also worries governments and traditional local television broadcasters. In the past, several governments in the footprints covered by STAR signals have strictly controlled what their populations were allowed to see. That is simple to do when the only broadcesting comes from terrestrial stations, it becomes far more difficult when viewers have access to satellite dishes that pick up STAR.

Severel countries In STAR's footprint either ban or severely restrict the private ownership of dishes.



Malaysia and Singapore provide prime examples. But with the size of dishes falling below one metar (3.28 feet) in diameter, and increasingly sophisticated populations intent on sampling global antertainment, such bans are unlikely to remain effective for long.

STAR worries local broadcasters just as much. They fear that programming from the sky will bite deeply Into their advertising revenues.

Authorities caution, however, that satellite television and cable TV are in Asia to stay. Satellite programming promises huge profits for its progenitor. Ultimately, Asie is likely to become a larger television market than Europe and North America combined.

Asiasat, the consortium that launched the satellite responsible for beaming STAR TV to Asian homes, faces an equally prosper-ous future. Less than 30 monthe after its leunch, Asiasat 1's capacity of 24 transponders hes been leased. Each transponder can carry t,200 simultaneous telephone calls or one television channel and 32 radio channels.

These developments indicate the rapidly increas-Ing role of telecommunications throughout Asia. The activity is taking place beneath the sea and through the air. At the focal point of the seabed work are optical fibars - glass cables scercely wider then e strand in a spider's web. These transmit voices and data in the form of lasergenerated pulses of light, rather than the electronic signals used in familiar coaxial cables.

Since 1987, cable-laying ships have been depositing e network of fiber-optic cables on the seabeds all around Asia. Undersea cables now extend from Malaysie and Singapore to as far as Japan and South Korea and then across to tha west coast of North America. When completed in the mid-1990s, this "global dig-ital highway" of optical fi-bers will stretch all the way around the Pacific Rim.

Cables now laid end planned will extend more than 150,000 kilometers undemeath the Pacific and contiguous seas. Another cable, due to link Southeast Asia with the Middle East and Europe when it is laid in 1994, will add more than 18,000 kilometers to that span. Total investments in the cables that originate in the region will exceed \$5 billion.

The major benefit of fiber-optic cables comes from their huge capacity. For example, tha cable that now links Japan with the west coast of the United States via Hawali can carry up to 40,000 simultaneous telephone calls. That exceeds by a factor of 30 the capacity of the copper coaxial cables, which preceded optical fibers.

Such high capacities Inevitably lead to cost-sav-Ings. The surge of fiber-laying has stimulated telecommunications companies to offer aggressive price cuts to hang onto their present Asia-Pacific customers and gain new ones. It also makes it feasible for suppliers to carry various value-added data services, along with video conferencing and - once it become commercially available - high-definition television.

Customers benefit from the clear quality of voices and deta transmitted through optical fibers. Unlike coaxial cables, optical fibers suffer no static or cross-talk, which can break up voice conversations and damage data. Nor do callers experience the echo of telecommunications vie satellite. In addition, it is almost impossible to tap into

a fiber-optic line. Business requirements have sparked much of tha activity in optical fibers. In recent years, Asia has become e focus for intemational telecommunications companies and consortia offering specific business services, such as private networks, virtual private networks, sophisticated deta services and video conferencing. Competition among those international providers has been further stimulated by deregulation of International phone and fax servicee in severel Asian countries.

Customers have re-

sponded spectacularly to the avallability of new ser-vices. As further fiber-optic cables come into service and prices for international telecommunications continue to decline, the use of special services will continue to increase.

Another special service taking off in Asie is CT2 technology. A simple mobile handset gives users access to global telephone service via "telepoints." These small receiving stations pick up radio signals from hendsets within a range of about 100 meters and connect the handsets to the local telephone service. Once connected, that subscriber can dial anywhere in the world that can be reached by a conventional phone.

The technology made its debut in Britain in 1989, but series of problems, including too few telepoints, resulted in failure.

Asia has done far better. Singapore officially Introduced the technology in January this year. Thailand followed the next month, launching a service in and around Bangkok, and Hong Kong's consumars had thair first opportunity to make outdoor cordiass calls in late March, Malaysia's capital of Kuala Lumpur and China's special economic zone of Shenzhen followed soon after.

Initial soundings Indicate success. Singapore Telecom signed up ebout 20,000 customers in two months, and Hutchison Telecommunications had more than 15,000 subscribers when it started business In Hong Kong.

Peter Gwynne

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Investment Projects Spur Regional Development

Continued from Page 17

SOURCE: POLITICAL RISK SERVICES, OCTOBER 1992

Infrastructure / Quantity and Quality

real-estate development in the world," the Kuala Lumpur City Centre project is due to start later this year. It will take 15 to 20 years to complete and include two 85-story office towers and other landmanks.

Meanwhile, work on Kuala Lumpur's new \$8 billion international airport, to be built by an Angio-Japanese consortium, is scheduled to begin in early 1993. Gov-emment officials expect the first planes to be landing in 1997. The first phase will include a terminal complex

capable of handling 25 miltion passengers a year, with the capacity set at 90 mllion to 100 million when the whole project is completed.

REAL GDP GROWTH IN *

One of the largest indus-trial-park developers in Malaysia is The Lion Group, whose businesses include steel products, transportation, finance, food and re-talling as well as real-estate development, management and construction throughout Malaysia and Singapore. Among the group's projects are the Lion Industrial Park in Shah Alam and Cheng industrial Park in Cheng, Malacca; an integrated commercial-touristresidential center in the Klang Valley, and the integratad Johora Gateway project.

in Thailand, one of tha nation's most crucial infrastructural projects - tha \$3.2 billion Bangkok masstransit rail system - is finally under way after three years of stop-start negotiations. The first section of the 60-kilometer (37-mile) system, the brainchild of Hong Kong-based developer Gordon Wu, head of Hopewell Holdings, is expected to start running in iata 1995, linking Don

Muang International Airport with downtown Bangkok. While Vietnam is begin-

ning to attract major infrastructural investment, headad by Hong Kong International Terminals' plan to develop a modern container terminal in Saigon, there is keen interest in the activities of the country'a leading foreign investor, Taiwan.

Work has already started on Taiwan's biggest project
- a \$90 million, 300-hectare (741-acre) free-trade manufacturing and processing zone on the southem outskirts of Saigon.

Two Taiwanese firms, Central Trade and Development Corp. and Pan Viet Corp., have joined tha city authorities in e joint venture to develop the zone, aiming to attract some 300 companies by the time it is completed in 1997. Most of these are expected to be Talwanase companias seaking cheap offshore sites for manufacturing and processing.

The zone will offer them import- and export-duty exemptions, other tax concessions and "one-stop" business licenses.

D.M.

Leeds Routs Stuttgart, **But Misses 2d Round**

Compiled by Our Staff From Dispatches

Leeds crushed VfB Stuttgart, 4-1, in an electrifying European Champions' Cup soccer match on Wednesday, but the English champious still crashed out of the competition after conceding a crucial away goal and having one disallowed.

Leeds came close to being the first English club to overturn a three-goal first-leg deficit in European competition when it evened the aggregate score at 4-4 in the 80th minute.

But Andreas Buck's 33d minute equalizer. scored on a mpid counterattack, proved ulti-mately decisive as the visiting German side reached the second round for the first time. As Leeds poured forward on incessant attacks in the second half, the Germans defended

CLUB CHAMPIONS' CUP

frantically and in the 76th minute Maurizio Gaudino scooped the ball away after a header hit a defender and ricocheted on to the bar with Leeds players claiming it had crossed the line.

Gary Speed put Leeds ahead with a powerful close-range volley after 18 minutes and Gary McAllister put them back in front with a penalty just before halftime. French international Eric Cantona added a third in the 66th and Lee

Chapman scored the fourth. • In Stavanger, Norway, Barcelona, the Champions' Cup holders, scraped past unfancied Viking Stavanger after a 0-0 draw gave them a 1-0 aggregate victory. The Spanish had most of the play but got bogged down in mid-field against a tenacious Viking side.

The Norwegians caused a major suprise in the first leg, bolding out until four minutes

from time. The nearest Viking came to breaking the deadlock was when Sander Solberg intercepted a poor Ronald Koeman pass, only to miss his

• In Ljubljana, Slovenia, AC Milan defeated CST Olimpija, 3-0, to advance on a 7-0 aggregate. The goals were scored by Daniele Massaro in the 31st minute, Frank Rijkaard in the 48th and Maruo Tassotti in the 85th.

 Olympique Marseille scored two goals early, then coasted through the rest of the contest as it rolled into the second round with a 3-0 victory over visiting Glentoran of Northern

The French club, the national champion the last four years, got goals by François Omam-Biyik in the seventh minute and Abedi Pele in the 13th, then Basile Boli scored in the 72d

Marseille had routed Glentoran, 5-0, in the first-leg match two weeks ago. • In Budapest, Ferencyaros Budapest and Slovan Bratislava tied, 0-0, with the Slovak team advancing on a +1 score from the first leg.

• In Vilnius, Lithuania, PSV Eindhoven of the Netherlands beat Zalgiris Vilnius, 2-0, to

advance on a 8-0 aggregate.

• In Bucharest, Dinamo advanced on a 2-1 aggregate hy beating Kuusysi Lahti, 2-0, on Gabor Gerstenmejer's goal in the 64th minute and Sulejman Demollari's in the 114th.

• In Sofia. Austria Vienna lost to CSKA Sofia, 3-2, but advanced on a 5-4 aggregate.

• In Riga, Lech Poznan held Skonto Riga to a 0-0 draw and the Polish team advanced on a

2-0 aggregate against the Latvian team. In Copenhagen, Glasgow Rangers edged Lynghy BK, 1-0, and advanced to the second

round on a 3-0 aggregate.

Forward lan Durrant broke through the Danish cloh's defense in the 84th minute and beat Lyngby's goalie Kim Brodersen for the

The Scots put the Danish team under constant pressure. But Lyngby's defense played

well while its forwards disappointed. • In Nicosia, AEK of Athens advanced to the second round on goal aggregate after drawing 2-2 with Apoel of Nicosia.

The first leg match of the two teams in Athens earlier this month ended in a 1-1 draw, thus giving AEK a 5-4 goal advantage under the

Apoel started strongly, missing a goal in the 14th minute when a shot by Andros Soternou hit the AEK goal's upright bar.

AEK's Rafik Sabanatzovic put his team

ahead on the 30th minute with a powerful long shot. AEK appeared to have the game wrapped up when striker Alexis Alexandris banged in a second goal in the 70th minute.

But the Apoel players regained their composure in a rally during the closing minutes of the second half, scoring twice in quick succession. Sinica Gogic headed the ball over AEK goal-ie Andonis Minou in the 77th minute and Costas Fasouliotis scored the equalizer in the 84th from close range.

 In Liège, Belgium, Lorenzo Staelens broke down stiff resistance of Maccabi Tel Aviv and Geri Verbeyen scored two more goals to give FC Bruges a 3-0 victory and a place in the

Tel Aviv crumbled only in the 70th minute when Bruges produced its best attack against the outsiders. Claude Verspaile chased down a deep pass on the right and immediately crossed it to the center, where midfielder Staelens deflected it just inside the far corner.

Ten minutes from time, striker Gert Verheyen was brought down in the penalty area but Dutchman Foeke Booy missed the penalty. But Verheyen struck back with a header in the \$5th minute and tapped in Bruges's third goal after Staelens had hit the post.



Petr Varbac outran Airdrie's James Boyle as Sparta Prague won in the Cup Winners' Cuo.

Bremen Loses, But Advances

Compiled by Our Staff From Dispatches

Werder Bremen, bolder of the Cup Winners' Cup title, went down 2-1 in an all-German duel at Hannover 96 on Wednesday but squeezed into the second round of the soccer tournament on 4-3 aggregate.

Striker Wynton Rufer of New Zealand put' Bremen ahead by converting a penalty in the 19th minute.

Reinhold Daschner revived Hannover's hopes with goals in the 29th and 33d minutes, but the German second-division team could not find the target in the second half although it

CUP WINNERS' CUP

exerted constant pressure.

Hannover won the German Cup last season. beating Werder Bremen on the way to the final, Bremen won last season's Cup Winners' Cup. • In Monaco, the home team played to a scoreless draw with Miedz Legnica, but Monaco advanced to the next round on 1-0 aggregate. Monaco's trainer, Arsène Wenger, banned

from the sideline after being sent off for arguing with the referee in the first leg, in Poland, sat high in the stands for the home leg with a walkie-talkie to pass instructions to his bench. But his team showed a lack of imagination in the goalless draw with the unfancied Polish (Reuters, AP) second division side. The German World Cup

striker Jürgen Klinsmann squandered several

• In Tel Aviv, Hapoel Petah Tikva beat Feyenoord Rotterdam, 2-1, to gain a 2-2 aggregate tie, but Feyenoord advanced on the away-goals differential. Hapoel - Mayer Levin scored for Hapoel in the second minute and Motti Kakkon in the 50th, but Henk Fraser rescued Feyenoord in the 59th.

• In Prague, Sparta Prague beat Airdrie of Scotland, 2-1, and gained the second round with a 3-1 aggregate score. Petr Vrabec, in the 31st minute, and Roman Vonasek, in the 37th, scored for the Czech team: Kenny Black got a goal in the 55th minute for Airdrie.

• In Turku, Finland, Trabzonspor of Turkey gained a 2-2 tie against TPS Turku and advanced on a 4-2 aggregate. Gyorgi Kajdu scored from TPS in the first minute and kim Lehtonen in the 84th, bul Trabzonspor got goals from Hami Mandirali in the 14th and Orhan in the 60th,

 In Odessa, Ukraine, Olympiakos Pireus beat Chernomorets Odessa, 3-0, to advance with a 4-0 aggregate.

 In Beggen, Luxembourg, Spartak Moscow routed Avenir Beggen, 5-1, and advanced to the second round with a 5-1 aggregate. In Lucerne, Switzerland, the home team edged Levski Solia, 1-0, and gained the next round on 2-2 aggregate and the away-goals rule.
(AP, Reuers)

Ajax Amsterdam Gains In Defense of Its Title

Compiled by Our Staff From Dispatch Ajax Amsterdam, the reigning UEFA Cup champion, moved into the second round of this year's tournament Wednesday with a 3-1 second-leg victory over visiting Salzburg of Aus-

In posting a 6-1 aggregate score, Ajax played fast, attacking soccer and had the upper hand for much of the match, spending long periods in their opponents' half. Swedish international striker Stefan Petters-

son opened the scoring for Ajax in the 26th minute, curling in a powerful shot from the edge of the penalty area.

Star striker Dennis Bergkamp, whose accurate lob was fumbled off the Salzburg line just before half time, made it 2-0 in the 49th minute with a well-struck shot off a pass from defender Frank de Boer.

But Salzburg refused to accept defeat and regained a goal back on a long shot from

UEFA CUP

midfielder Andreas Reisinger 10 minutes later. After a careful build-up by Bergkamp, Pet-tersson's 80th-minute second goal put the result

 In Rome, Thomas Hässler, making a successful comeback following a one-month injury, scored on a free kick in the 50th minute to give AS Roma a 1-0 victory against Wacker Innsbruck and the Italian team gained the sec-

ond round with a 5-1 aggregate score. Hässler, a regular member of the German national team who had been sidelined with a knee injury, led several swift attacks and scored

the winning goal.

• In Edinburgh, Hearts of Scotland swept to a 4-2 victory over Slavia Prague and advanced

to round two on a 4-3 aggregate.

A goal down from the first leg, Hearts drew level on aggregate in the 10th minute when Gary Mackay collected a pass from John Robertson and shot home from 16 meters.

Four minutes later Jareslav Silhavy made it 1-1, putting his team ahead again overall, when he turned in a corner kick. Midway through the first half of a see-sawing

game, Hearts scored again when Iain Baird headed in a center from Eamonn Bannon. And three minutes before the interval, it was 3-1 for the Scots when defender Craig Levein

headed in a corner from Bannon. Slavia had Penicka sent off in the 58th minute for his second offense but made it 3-2 through Pavel Kuka in the 66th.

It looked like Slavia might advance through scoring more away goals before Glyn Snodin turned the game Hearts' way again 11 minutes before the end with his first goal for the club. In San Sebastian, Spain, Real Sociedad triumphed over visiting Vitoria, 2-0, but Vitoria Guimaraes advanced on 3-2 aggregate. the next r

In Glasgow, John Collins grabbed two goal rule.

"Bunim-d" a tob 1 daa

goals as Glasgow Celtic overturned FC Cologne's 2-0 first-leg lead to win 3-0 and romp

into the second round.

Celtic wiped out Cologne's first leg lead before halftime. The German national team goaltender, Bodo Illgner, already had made some stunning saves before his pruched clearance. landed eventually at the feet of Paul McStay who scored in the 37th minute.

who scored in the 37th minute.

Two minutes later, with the German defense reding. Collins smashed home a 25-meter shot as Celtic tied the aggregate score. Collins's second goal and the clincher for Celtic came nine minutes from the end.

Newley the Hampanese forward Daniel

• In Naples, the Uruguayan forward Daniel Fonseca played only the first half but still added one goal to the five he scored in the previous game as Napoli defeated Spain's Va-lencia, 1-0, and sailed into the second round.

The Italian team advanced on a 6-1 aggre-• In Plovdiv, Bulgaria, Fenerbahce of Tur-

key advanced on a 5-3 aggregate by gaining a 2-2 tie with Botev on Ridvan Dilmen's goals in the 37th and 78th minutes. Bojidar Iskrenov, in the fifth minute and Yasen Petrov in the 41st. scored for Botev.

• In Bucharest, Romania, Sigma Olomouc of

 $\frac{\overline{F}_{1}}{2},\frac{\overline{F}_{1}}{2}$

Czechoslovakia advanced on a 3-1 aggregate with a 2-1 victory over Universitatea Craiova. Ionel Gane opened the scoring for the home team in the 21st minute, but Milan Kerber in the 23d and Milan Kerber in the 42d scored for

 In Izola, Slovenia, Benfica advanced on an 8-0 aggregate after beating Izola Belvedur, 5-0. • In Mikkeli, Finland, FC Copenhagen advanced on a 10-1 aggregate after beating MP Mikkeli, 5-1, with Martin Johansen scoring

 In Frankfurt strikers Axel Kruse and Anthony Yeboah scored first half hat tricks to lead Eintracht Frankfurt to its highest ever European Cup victory, a 9-0 rout of Poland's Wideev Lodz.

Frankfurt reached the second round with an 11-2 aggregate score.

Kruse opened the scoring in the ninth minut-ed and completed his hat trick in the 14th and 37th. Yeboah was on target in the 21st, 22d and 36th to make it 6-0 at the half. Yeboah netted his fourth in the 68th minute,

before Uwe Rahn and Uwe Bein ended the slanghtering in the 83d and 90th. • In Athens, Panathinaikos Athens beat Electroputere Craiova of Romania, 4-0, to

move up on a 10-0 aggregate score.

In Trondheim, Norway, the home team, Rosenborg, shut out Dynamo Moscow, 2-0, but the Russian squad advanced on 5-3 aggregate.

 In Vienna, Rapid of Vienna beat Dynamo Kiev, 3-2, but failed to advance. Kiev gained the next round on a 3-3 aggregate on the away-(AP, UPI, Reuters, AFP)

BOOKS

THE DOUBLE LIFE OF STE-PHEN CRANE: A Biography

By Christopher Benfey. 294 pages. \$35. Aifred A. Knopf Inc., 201 East as it may appear. Though Crane's fame 50th Street, New York, New York 10022.

Reviewd by Jonathan Yardley

NE of the more myslerious oddities of American literary history is that Stepben Crane, who played a substantial part in that history, bas been so ill-served by his biographers. The first of these, Thomas Beer, seems to bave invented many of the "facts" with which he adorned Crane's life; the second, John, Berryman, engulfed poor Crane in a tidal wave of intense, frequently loony Freudian analysis; the third, R. W. Stallman. suffocated him under a massive blanket of trivia and turgid prose.

Perhaps this is no great loss. Literary biography tends to pay greater service to the higher gossip than to literature itself; the small but rich body of his own work is all that really should matter to us about Crane. Still, there are questions about his life that might further our un-derstanding of that work. Chief among these is perhaps, this: How is it that Crane was able to write so vividly and with such apparent anthority about experience — war and death, slum life and prostitution — of which he himself had no direct knowledge?

DOONESBURY

The latest biographer to consider this and other questions about Crane is Christopher Benfey, an academic whose previous work has been on Emily Dickinson. The connection is not as unlikely "The Red Badge of Courage," and a bandful of sbort stories, be was also the author of poetry as elliptical and enigmatic — and as interesting — in its own fashion as any of Dickinson's. Benfey makes an earnest effort both to explain Crane's poetry and to grant it its literary due; for this he deserves credit.

This and little else. "The Double Life of Stephen Crane" is in virtually all other respects the worst Crane biography yet, and that is saying something. Though Benfey had at his beck and call the con-siderable body of Crane scholarship that has been done since Beer's hiography of six decades ago, he has made astonishingly little use of it. What is needed is a brief (for Crane's own life was brief) and undogmatic biography that separates, so far as possible, myin from fact, and that connects the work to the life in persuasive ways. This is not the book Benfey has written; his life of Crane repeatedly scants the biographer's most basic obli-gations, while indulging in amateur psy-choanalysis every bit as shaky as Berry-

man's and in blatant authorial preening. Crane was born in New Jersey in 1871 to parents of intense if somewhat peculiar religious conviction. As a young man he did journalistic odd jobs in New York before producing, seemingly out of no-

where, a first novel, "Maggie: A Girl of the Streets," in 1893. Two years later his reputation was made with "Red Badge."

The hole of the street of the str In the late 1890s be established a common-law marriage with Cora Taylor, a madam from Florida: in time they set-tled in England. In 1900 Crane died in Germany, where he had unsuccessfully sought a cure for tuberculosis. It was a life of a certain drama, though

scarcely the "amazingly theatrical life" Benfey imagines it to have been. It was also a life lived with exquisite timing. Crane came along at the precise moment, when the old genteel tradition in American letters was entering its final bours and when the first stirrings of modernism were arising. In the transition between the two, Crane proved a pivotal figure, one who managed to belp pave the way for both realistic novelists and experimental poets. Of this the reader will find precious little in "The Double Life of Stephen Crane." Though context is of the essence in literary hiography. Benfey

largely abjures it.

Perhaps Benfey has, in "The Double
Life of Stephen Crane," reinvented literary biography, abandoning those tired old conventions of structure and context and characterization and narrative for some brave new world of amateur analy-sis and authorial chest-thumping. Perhaps, on the other hand, he has simply written a very bad book.

Sonathan Yardley is on the staff of The Washington Post

DON'T YOU SEE ?

YOU STRIPPED HIM OF HIS MANHOOD.

BRIDGE

T N the ninth World Team Olympiad in August, France countered Indonesia, for a final victory. On the diagramed deal, both West players opened with a weak two-bid in spades, which was exciting news for East. He bid two no-trump asking West to clarify his hand, and then North-South got into the act. North's three spades was a cue-bid clubs in his

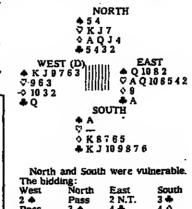
turn, showing a big fit in spades.

Both sides pushed on to the sixth level, and East eventually doubled six spades in the expectation of scoring at least two aces. He was not at all happy when South ruffed the opening beart lead.

The declarer was Michael Perron of France, who crossed to dummy with a diamond lead, led a trump and quickly claimed the doubled slam. In the replay, the East-West followed the old principle: when both sides have a big fit, bid one

more for luck.

When the bidding reached six clubs,
East-West preserved to six spades and
were doubled. The declarer, Herve Mouiel of France, correctly judged that all the missing hearts were with North and took a deep finesse in that suit fail-ing by one trick. The French gained 16 imps en route to victory in the match, 21



GOT A "D-MINUS" IN OUR

PEANUTS

SPELLING TEST .. 1-60T A "D-MINUS" IN OUR MATH TEST.





BEETLE BAILEY AMOS! DO YOU KNOW WHAT TIME





CALVIN AND HOBBES







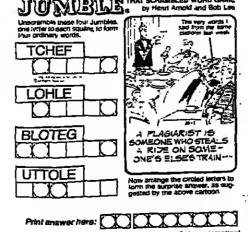






DENNIS THE MENACE





lumbles GOO9: MUSIC HICCUP NINETY

BUT HELL LUSE HIS LUGHISE! HE WON'T BE ABLE TO DANE TO WORK! HE'LL HAVE TO TAKE THE BUS!

BLONDIE EVERYONE RISE



West led the heart six.



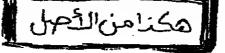
MORGAN











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plan Harris Mark to Say of hane see 25 July auto project y MY LK. Milery Sept : Martini : Same be 电线性 地名

Mand Strangers And Assault icel its Markey Commission in the second

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Britis See .

permit. His words were straight from the gym rather than medical school: Who could deny this to Magic Johnson?

Los Angeles Times Service
INGLEWOOD, California — An improvement in Magie Johnson's condition was per-

haps the overriding factor in his decision, a team physician said. Michael Mellman, one of his doctors, acknowledged Tuesday for the first time that Johnson bad improved since announcing 10 months ago that he had contracted the human immunodeficiency virus.

improvement to four factors: the use of the antiviral drug AZT; the fact that Johnson did not play in the NBA last season; a change of diet and exercise, and a decrease in travel. Mcliman said he doesn't know how John-

sou's return to the Lakers will affect his condi-

Rules on Disease

Applied by NBA

updated infection control guide

always used the gloves.

In more severe cases, players

blood on their uniform, even if it

was blood from another player.

Mellman, an internist, attributed Johnson's

said. "The problem is we haven't had anyone in this posicion before." Johnson said his T-helper cell count had increased but refused to elaborate. It is believed

SPORTS BASES

Back on the Court:

The Right Decision

By George Vecsey
New York Times Service

NEW YORK — You could call it courage. You could call it ego. You could call it denial. You could call it love. Whatever label you want to put on it, the decision belonged to Magic Johnson, and he made it:

It was the right decision because the authorities say he is not harming

anybody else by taking his stricken body onto the court. It was the right

decision because the evidence is that he can still compete with the best

players in the world. And it was the right decision because ultimately we

are all retired for one very long time. In the meantime, that improbable meantime, why shouldn't Earvin

son is a basketball player who has oever felt more than the aches and

pains of oncoming athletic old age and the sluggish symptoms that made him see a doctor last fall, when he discovered he was stricken with the

But he has never felt the crippling back pains that made Larry Bird retire, and he has never felt the chunsiness that told Julius Erving it was

time to quit, and he has never felt the slowness that finally told Kareem

Abdul-Jabbar it was time to give it up. Magic knows, at least intellectually, that he will have AIDS one of these years. In the meantime, he wants

to play basketball at the level he thinks he can still reach. Who could deny him this?

Certainty, Cookie Johnson, his wife, could not stop him, although there were plenty of not-so-finny little jokes that suggested she had tried. For example, Johnson said he had paid her \$1 million so she would agree to let

example, Johnson said he had paid her's! million so she would agree to let him play. "My wife told me one and out, or else she's leaving me—she and the baby," he said. And he didn't sound as if he were making it up. There were suggestions that the Lakers had long ago accepted that his No. 32 would stay in the rafters. Jerry West, the general manager and hardly a close friend of Johnson's, had been dropping hints in recent days that the Lakers were well stocked at point guard. But when Johnson made up his mind, West dutifully said the right things.

THE LAKERS physician, Michael Mellman, sounded far more

I neutral than his patient. He noted that the husky, 235-pound Magic

had taken a year off from the three-hour nights, the dawn flights, the hotel food, the physical pounding, of a basketball season. Johnson has been under doctors' care. No wonder he looks good.

"We are not taking this bightly," Mellman said.

They are letting an outpatient try to play a National Basketball Association season, or at least 50 to 60 games, and the oumber goes up when Johnson mentions the places he'd like to visit. Whatever you think is behind that broad Southern California show-biz grin, Johnson has

carned the right to try.

I saw him play in the All-Star Game in Florida last February, and I saw

him play in the Summer Games in Barcelona, and I think he can still play

on the court. That's not going to happen. If his body starts wearing down,

if the mediocre point guards start racing past him, people will be embarrassed for him much sooner than they will be shocked.

Or maybe he will have a glorious season, make the grand tour, politely turn down the gifts and the ceremonies, and then "ride off into the

He will be threatening oobody else, according to Dr. David Rogers, a

professor of medicine at Cornell University Medical College-New York Hospital, who is the vice chairman of the National Commission on AIDS.

Rogers was convincing last February when he reassured the other All-Stars that nobody was likely to catch AIDS from being on the same court

"I think it's splendid," Rogers said Tuesday, "It sends a wonderful message. He's oping to do what feels good for him. You don't have to withdraw from hie."

Rogers said there had been "zero" documented cases of somebody catching AIDS during an aimetic contest. "After a dozen years of experience," he said, "one of the few bright spots about AIDS is that it's

so hard to get except in very specific ways."

Did Rogers have any advice for Johnson? Indeed he did, words of affirmation for a proud athlete to keep going, as long as his body will

Some people are afraid of watching Magic Johnson collapse one night

in the league. But 60 games at 30 minutes?

sunset," as Johnson put it Tuesday.

HIV illness that will someday lead to AIDS.

Vantage

Point

Johnson do what he loves best?

What else was he going to do,

stay home and burp the baby? Take

a meeting? Do hmch? Earvin John-

blood when he started AZT treatment last year. Normal levels range from 800 to 1,200. The T-helper cells in the blood are critical parts of the body's immune system, and AZT, or zidovudine, is thought to initially boost the

cell count for six to eight months in HIV the delicate balance of the body's immune system is upset, and it cannot protect a person

against many infections that it would normally

"We can theorize as much as we want," he

to have been about 500 per cubic milhiter of

Once the T-helper cells have been destroyed,

Magic Is Better, Doctor Says, but Playing Is Risky tude of which we don't know," Mellman said.
"He also assumed a risk in not playing."

Compiled by Our Staff From Dispatches

Pat Riley was not surprised.
"I felt all along that Magic would come back," said the New York Knicks' coach, who also coached Magie Johnson for nine seasons

with the Los Angeles Lakers and won four Naconal Basketball As-

"As it has always been in his life,
's another challenge for him and

the Lakers," Riley said, "It was

ized just how much this game was a

er great day in the life of Magic

Johnson. He will provide the fans

with what they've missed. I wish

· Larry Bird, a rival and friend

they feel is best for him, and I wish

be great to watch him play again."

tion from around the league:

him only the best."

sociation titles during that time.

Although encouraged by recent test results, the doctors will now focus on how Johnson's immune system will react to the stresses of the

> The mental strain could have a detrimental affect, said Robert T. Schooley, head of the infectious diseases division of the University of Colorado Health Sciences Center. But the data are limited on what could happen, he added.

Mellman zsaid he had advised Johnson to go

Magic Johnson, with his wife, Cookie, announcing he will play again for the NBA Lakers this season.

NBA Welcomes Magic Back

play some more."

come back."

part of his life."

"He is obviously going to live his life as he chooses and pursue his dreams," he added. "This is another dean't know what's going to happen

That was the general semiment comfortable with Magic's decision after Johnson announced he would to return to active competition. We

play again for the Lakers. The reac- are pleased that he feels well

who announced his retirement consultant and vice chairman of the

from the Boston Celtics six weeks National Commission oo AIDS:

ago: "I am thrilled for Magic, and I "For him to resume his career is a

am glad he will be able to continue very encouraging statement to oth-playing. I'm sure that he and his ers that are HIV-positive that they

him all the luck in the world. It will Kings' coach: "Like everyone else,

Donnie Walsh: "I think for the basketball than Magie Johnson?

as you go," he said.

benefit of NBA fans and all the Randy Pfund, the Lakers'

people involved in the game of bas- rookie coach whose joh had just

The Indiana Pacers' president, in the league has more fun playing

family have made the decision that can lead ourmal fives."

Return Called 'Great' for League, Lakers and Johnson

• Reggie Lewis, a player for the Celtics: "I'm not surprised at all. I

know Magic. He's a real competi-tor, and be loves to play the game. I

don't know what's going to happen if he wears himself down too quick."

· Commissioner David Stern:

We have conferred with his doc-

tors, who have advised they are

comfortable with Magic's decision

enough to return."

• Dr. David E. Rogers, an NBA

Garry St. Jean, the Sacramento

we wish him all the best. Who else

ketball that it is great Magic is been rendered easier and/or more

returning. He's a once-in-a-lifetime complex: "I've got 100 pages of player, and we'll all get to see him motion offense and all kinds of

felt that if he was healthy enough make this a better year for our fans and if the doctors agreed with him and NBA fans," he added. "There are decisions to be made about playing time, but at this point, and said that it was O.K., he could · Dee Brown of the Celtics, who we're in unchargered waters obvious from the All-Star game and the Olympics that Magic real-said he wasn't concerned about Ladbrokes, the British bookplaying against someone who carries the HIV virus, which causes AIDS: maker, reacted to the news by

other things that I'll walk back in

the office and put in the file."
"I don't think there's anything

about this decision that won't make

the Lakers a better team, that won't

slashing the odds against the Lak-ers winning the 1993 NBA title from 50-1 to 33-1. Johnson's decisioo makes the Lakers' presenson prospectus in-stantly resplendent. Without him, the Lakers appeared to be a borderline playoff team, reliant chiefly on

forward James Worthy's sketcby rehabilitation from knee surgery. With Johnson, who can play four positions, the Lakers are "a championship-caliber team, no ques-tion," said the general manager,

Jerry West "I think it will be something that will be workable," he added. "Our coaches are going to have to look at the problems that having a relatively part-time player might create. But coaches have to be flexible, and

they'll have to be a little hit more flexible this year." Obviously, the more g played would be great for us," West said. "But the most important thing is to maintain his good health."

Will Johnson's abbreviated sea-

son be disadvantageous to the rest

of his team, which must get used to his cyclical playing schedule? "Let me say this about the hig picture," said Pfund. "I think this is a great day for the Lakers and Laker fans. There are people with all kinds of disabilities and diseases. I think it should oot be overlooked how hard Earvin has worked to

bring himself back, and how he's

kept a positive attitude through this whole thing "
"The leadership Earvin provides, the confidence this team has playing behind him. I think makes the difference," he added, "The continuity, we'll just have to wait and see. It could be difficult at times, slowly. He said treatment might change as Johnson's simation changed."You try to adjust but the difficulty will be overshad-owed by the leadership Earvin gives us." (LAT, NYT, WP, AP)

Brewers Keep the Heat On the Jays as Both Win

The Toronto Blue Jays keep win-

ning and the Milwaukee Brewers keep winning, which means the Oakland Athletics will continue

The American League East race got only a little closer to being settled as the Blue Jays beat the Boston Red Sox on Tuesday night and the Brewers then topped the Seattle Mariners. Despite reducing their magic number for clinching the title to three, the Blue Jays must still nervously keep an eye on the Brewers, who seem to have chosen

"We did the things again tonight that we're supposed to do to win games," said Milwaukee's manag-Milwaukee won its seventb

straight and 15th in 17 games to remain 2½ behind Toronto, which has won a not-so-shabby g of 11 itself. The Brewers have five games left, the Blue Jays four. "We're not even thinking about Milwaukee," insisted Jimmy Key, who won his fifth straight start for

"If we win three games, it doesn't matter what they do." Brewers 7, Mariners 4: What the Brewers did do in Seattle was hit a elub record-tying nine doubles as rookie Cal Eldred win his 10th straight game, tying a elnb mark set by Chris Bosio last week.

Toronto to run his September re-

AMERICAN LEAGUE

The AL East Race

Toronte (4) — Home (4): Sept. 30, Boston; Oct. 2. 3, 4. Detroit. Allwankse (5) — Away (5): Sept, 30, Oct, 1, Septite: 2. 3, 4, Ookland. Robin Yount hit three of the

donbles and Kevin Seitzer and Paul

Molitor each two as the Brewers

beat the Mariners for the sixth straight time. Eldred allowed homers to Tino er, Phil Garner "We're keeping the pressure on, and we're doing it by playing good, sound baseball."

Martinez and Jay Buhner hut only six hits over seven innings, while striking out five and walking one. striking out five and walking one. He is 6-0 with a 1.17 earned-run average in September, only slightly

better than his 1.45 mark for the Blue Jays 5. Red Sox 2: Devon White got three hits and scored twice for Toronto, playing at home. Toronto took a 3-0 lead in the first on Joe Carter's sacrifice fly and RBI doubles by Dave Winfield

and Candy Maldonado. cord in the major leagues to 26-11. Indians 4, Yankees 3: Albert Belle hit his 34th homer, a basesempty shot in the sixth, as Cleve-land rallied overcome a 3-0 deficit and beat visiting New York. Orioles 7, Tigers 2: Tim Hulett, who hit his second bomer leading

off the second in Detroit, got two

RBIs, as did Luis Mercedes, and Ben McDonald, winless in his previous eight starts, held the Tigers." hitless for 51/2 innings and com-... bined on four-hitter for Baltimore...

Twins 5, White Sox 4: Shortstop ... Esteban Beltre's throwing error let Bernardo Brito score from second base, capping Minnesota's four-run ninth that kept visiting Chica- it go from pulling into a tie for seeond place in the West, and prevented Jack McDowell from getting his 21st victory.

Athletics 5, Rangers 0: Jose Canseco returned to Oakland hut watched from the bench as former ... teammate Harold Baines hit a tworun homer and Mike Moore and Jeff Parren held Texas to four hits as the West champions ended a three-game losing streak.

Kevio Brown failed to get his

21st victory for the Rangers.
Royals 2, Angels 0: Dennis Rasmussen pitched a one-hitter in Calilornia, giving the Kansas City pitcher a victory over every American Lesgue team, as Mike Macfar-lane led off the fifth with a homer and singled in a run in the ninth.

George Brett, still four hits shy of 3,000, sat out his second straight game with a straiged left shoulder and remained questionable for : Wednesday night.

Bert Blyleven held the Royals
hitless until Keith Miller, who had
three of his team's seven hits, led off the fourth with a single. It was Blyleven's first complete game since June 11, 1990.

Braves Win Title Again In NL West

The Atlanta Braves became the first National League West team to repeat as champions in 14 years," and set up a rematch of last year's thrilling playoff series with the Pitisburgh Pirates.
The Braves won their fourth divi-

sion title by beating the San Fran-cisco Giants, 6-0, Tuesday night in Atlanta. That, coupled with Cincinnati's loss to Los Angeles, eliminated the second-place Reds.

Charlie Leibrandt pitched his second shutout - the 23d by the

NATIONAL LEAGUE

Braves' staff this scasoo - Roo Gant put the Braves ahead for good in the second inning with his 17th . homer and they broke it open with a four-run fourth. A sellout crowd of 40,860 saw

the Braves become the first NL

West winner to repeat since the Los-

Angeles Dodgers in 1977-78. At-lanta's other divisioo crowns came Charlie Leibrandt and Damon Berryhill of the Braves celebrated. in 1969 - the first year of divisional play — and in 1982. On Oct. 6, Fulton County Stadi! um figures to be sold out again when the Braves start the playoffs

> seven games, winning the last two at Three Rivers Stadium. Dodgers 5, Reds 0: In Cincinhitter for his fourth shutout - the most by a Los Angeles rookie in a scason since Orel Hershiser had; four in 1984 — and the Dodgers.

at home against the Pirates. Last

October, Atlanta beat Pittsburgh in

scored twice in the first without a hit out of the infield. A walk to Jose Offerman, Brett' Butler's bunt single and Eric Young's high chopper loaded the bases, Eric Karros' sacrifice fly brought in Of-

ferman and Butler scored on Mike Scioscia's ground out.
Phillies 5, Mets 3: Reliever An-Katrin Krabbe, Grit Breuer and thony Young lost his 14th straight-Manuela Derr, who tested positive for the drug clenbuterol, are being decision when his wild throw on expelled from their Neubranden-Joe Millette's sacrifice bunt led to athree-run rally in the ninth that' gave Philadelphia a victory in Newburg athletics club, its officials said Wednesday. A German athletics federation official said the three York and tied the teams for last

will have no legal right to appeal the test results if they are not memplace in the East.
Pirates 3, Cubs 0: Andy Van
Slyke hit a two-run homer and four (Reuters) Pittsburgh pitchers combined for a The world sportscar championtwo-hit shutout in Chicago. Cardinals 2, Expos 1: Rod Brewship will be dropped in 1993, after years of racing, and replaced er singled home the winning run in with a series of GT races, FISA the 10th as St. Louis beat visiting officials said Wednesday. (Reuters)

Montreal.

(AP)

 $\{AP\}$

ninth as Houston, playing at home, rallied past San Diego. Gary Sheffield got his 100th RBI and Fred McGriff his 99th for the Padres. Both scored in the eighth.

when San Diego took a 5-4 lead.

Astros 6, Padres 5: Luis Gonza-

lez hit a two-run double in the

SCOREBOARD BASEBALL The NBA, with the possible Major League Standings spreading of diseases in mind, put AMERICAN LEAGUE in effect what team physicians term Pd. 589 551 549 751 744 744 749 749 lines" starting with the All-Star game weekend in February. The rules call for prompt treatment of any injury "where there is a significant chance of infection." The guidelines also call for trainers 野野和林州 and doctors to use rubber gloves and other routine sanitary precautions when contact with blood is necessary, though some trainers, saying it is against reactive instincts, have not TIONAL LEAGUE have been removed from games by game officials and been told to put on new jerseys or shorts if they had

AMERICAN LEAGUE
New York 688 38 888-3 8 1
Cleveland 688 831 688-4 8 1
Kamteniecki, Nobyand (7), Nielsen (8) and
Nokes, Napy, Lillaudis (9), Plunk (9) and
Oritz, W-Nopy, 17-16. L.—Kamieniecki, 6-13.
Sw-Plunk (4), 1478-Cleveland, Belle (34).
Secton 628 688-68-7 7
Tereste 928 688-5 7 1
Darwin, Horris (6) and Pena; Key, Ward
(7), Henke (9) and Borders, W.—Key, 13-12.
L.—Darwin, P-S. Sw.—Henke (33), HR—Seston,
Wedge (5).
Ballimere 828 148 688-7 13 8
Dehreit 888 889 611-2 5 1

Minesetn 690 183 305-4 7 1
Minesetn 619 609 194-5 8 1
McDowell, Thispen (97, Redistor (97),
Leach (97 and Horper, W.-Edens, 6-1 L.-Rodraky, 3-7,
Kanese City 600 870 and
California 600 870 and

NATIONAL LEAGUE Las Anystes 218 et7 808-5 18 8 Clackayati 080 608 908-6 3 2 Astocio and Scioscia: Pugh, Henry (7), Rus-kin (6) and Oliver. W—Astocio 5-4 L—Pugh.

and Laveillers, Prince (7); Castille, Asser-mocher (8), Sesnion (9) and Wilkins. W—Waper. 24. L.—Castille, P.11. Sv— Binda (18), HR—Pfitsburgh, VonStyke (14).

Japanese Baseball CENTRAL LEAGUE (16 lanings)
Barnes, Fassero (5), Rolas (6), Wetteland Barnes, Fassero (3), Rolas (6), Wetteland (6), Volties (1) and Fischer; Twiksbur, Worrell (3), LSmith (9), McClure (9), Perez (9) and Pagnazai, Gedman (10), W.—Perez P. 3. L.—Valdez D2. HR.—Montreal, Alou (9), San Diego 30 688 azh – 5 19 1 Houston 61 MG 682 – 6 9 8 Brazali, Rodriguez (6), Gel-Harris (6), Modera (7), Afrara (9) and Wetters, Lamada (6); Harnisch, Barver (5), Murahv (7), Partigol (8), Jenses (8), Osen (9) and Tautharsse.

SIDELINES

NFL Drops Suit Against 4 Free Agents

their request that U.S. District Court Judge David Doty issue a temporary restraining order Wednesday against the four players he had unrestricted free agency for five days, after three signed with new teams and the fourth, D.J. Dozier, a running back who also plays baseball for the

New York Mets, was released by the Detroit Lions.

whose contracts expire at the end of this season.

MINNEAPOLIS (Combined Dispatches) - NFL owners dropped

Doty will oext have to rule on a suit field by nearly 300 other players,

Wide receiver Webster Slaughter, the last of the three to be signed.

Terms were not disclosed, but the

the contract reportedly is worth

C.M. Newton, Kentucky's athletic director, was elected president

Virgil Hill, with a unanimous de-

cision over Frank Tate, won the

vacant WBA light heavyweight title

of USA Baskethall, succeeding

For the Record

about \$2.2 million.

bers of a club.

Dave Gavitt

he lost 16 months ago.

06:-022-9111 SWITZERLAND

050-12011 TURKEY

(UPI, AP)

reached an agreement on a two-year contract with the Houston Oilers.

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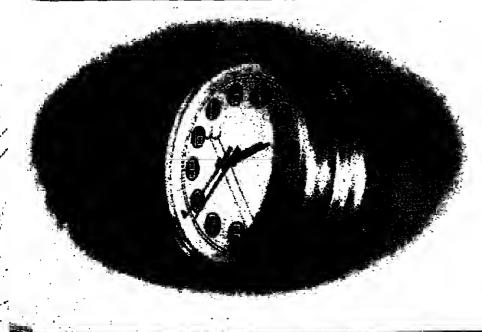
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ART BUCHWALD

Honorable Cover-Ups

WASHINGTON—"Mr. Robcrts."
"YESSIR."
them because it is out the Navy's business."
"The Laboratory of the Navy's business."

"As you are now an Academy plebe I will administer the honor code oath which you will be expected to obey for the next four years."

"Do you know why you are tak-

ing the oath, Mr. Roberts?" *Because someday I will be a naval officer in command of my own ship. charged with the lives of many men and women, and therefore my word must be truthful

Buchwald and my actions beyond reproach." "Very good. Midshipmen are persons of integrity. They do not lie, cheat or steal. Do you promise

to live hy this code?" "I promise, so help me God."

"Are there any questions?"
"Yessir. Do I have to keep the honor code after I leave the Acade-

"In moderation. But there are always exceptions. For example, if you ruo into a situation where your actions, or those of your fellow officers, would embarrass the Navy you can stretch the code a teeny, How (ar?"

"As far as you think you have to. The honor code means one thing here in Annapolis, but it could mean something entirely different io Las Vegas." "Yessir. Could you give me an

example?" "Suppose your snipmates are having a little 'rest and recreation' in Las Vegas and breaking a few rules. You don't have to report

"Do I obey the honor code if I am asked to investigate any uotoward sexual abuse?

"The Navy would prefer you didn't. We have admirals who are specially assigned to handle any bad weather the service might run into. Mr. Roberts, once you leave the academy your job is to be an officer and a gentleman, and that doesn't mean ratting on someone you serve with."

"Does being an officer and a gentleman mean respecting wom-

"Yes, it does. At the same time, as an officer you will have to make the hard decisions as to exactly how much respect females should receive. This is a judgment call and must be made by each commander according to who is at battle sta-

would never confuse right

"Mr. Roberts, the Navy is get-ung a very had press because wom-en sailors are using the honor code against us. They are reporting their shipmates for sexual harassment and other crimes and misdemeanors. If they continue doing this we intend to do away with the honor code and go to something a little more comfortable for flag officers

"Yessir. It doesn't make sense to have a strict honor code and then have women use it to advance their own careers.

"You have four years ahead of you. Keep your feet dry and your back to the wind, and when you go on leave, try to avoid Las Vegas." "You can count on me, sir. I will

chart my course so that I will not get involved in Navy cover-ups at least not until I get out of school.

Mirror, Mirror on the Auction Block

The Associated Press PARIS — A tiny bronze mirror that once belonged to a Roman general and an oval, hand-held looking glass unearthed in a phacomplete. raoh's tomh are among 250 pre-cious mirrors to be auctioned in

The rare collection —the largest, most diverse known to be in private hands — will be sold at the Georges V Hotel on Dec. 8, auctioneer Jacques Tajan announced Wednesday.

The mirrors are mostly one of a kind, and they reflect the scientific knowledge and religious beliefs of a particular civilization at a given with traditional symbols of the seatime," explained Leon Anlen, 64, a sons, the zodiac, the elements and retired industrialist who spent the landscape.

more than 30 years amassing the

Anlen said he decided to sell the collection because it was virtually complete. "There's practically nothing left to collect. It's time for me to turn the page, and give other collectors a chance," he said in an interview in his mirror-adorned home outside Paris.

The auctioneers hope that the pieces might hring up to 500,000 francs each (as much as \$100,000).

More than 100 mirrors are from ancient China and are decorated



Damon Evans will sing farewell to Sportin' Life in Covent Garden production of "Porgy and Bess" in London next month.

Damon Evans: Life After 'Porgy'

By Sheridan Morley International Herald Tribine

ONDON — The "Porgy and Bess" that opens at the Royal Opera House Covent Garden on Oct. 9 is essentially the same Trevor Nunn production that took critics and audiences by storm when it opened at Glynde-bourne in July 1986. That was the first British staging of the complete score, and this is the first time the Gershwin classic will have been seen at Covent Garden, with the Glynde-bourne principal casting still intact: Willard White as Porgy, Cynthia Haymon as Bess and Damon Evans as Sportin' Life.

For Evans, this is both a first and a last; his debut at the Royal Opera House, and the last time he will be seen as Sportin' Life:

"It's a great role, undoubtedly the greatest for a musical-comedy character in an opera, but I've played him now m Oakland, Tulsa, Chicago and Finland as well as Glyndebourne, and there's a danger in getting too associated with the part. When I played Joe recently in 'Carmen Jones' at the Old Vic, nearly all the reviews referred to me as Sportin' Life and you have to be careful about a thing like that."

On the verge of his 40th birthday. Evans has recently taken up residence in Loodon and is cootemplating marriage. The tremendous acclaim that he's had for both "Porgy" "Carmen Jones" warms him toward the idea of a career based in Britain, but as be is all too aware, it is sull not going to be easy.
"I know you," an agent said to me recently. 'you're a black American romantic tenor, and there's not a thing I can do for you."

Evans is accustomed to overcoming such little handicaps. The son of a lab technician, he was born and brought up in Baltimore ("Cab Calloway went to school with my grandmother"), and joined a children's theater group

when he was 10. He got a Reader's Digest scholarship to "a kind of 'Fame' school" in Michigan, and at 17 went to the Manhattan School of Music, having decided he would rather be a classical singer than an actor.

"But I had to pay for the tuition and make money to live, so I got into the original off-Broadway 'Godspell,' and then a TV soap called 'Love of Life' and that in turn led me to Hollywood where I spent three years as Lionel in 'The Jeffersons.' That was a very difficult time for me. I knew it wasn't what I wanted to be doing or where I wanted to be, but on the other hand it was a hugely successful TV series and it was paying for all my music studies. I'd attained the American dream, but it was the wrong one and I knew I had to get out."

Before leaving Hollywood, Evans played the young Alex Haley io the sequel to "Roots," then returned to music school in New York, living on residuals from "The

Jeffersons. "That was a very slow and difficult time: I came back to New York in 1979 and it wasn't until 1985 that I made my opera debut in 'Harriet - The Woman Called Moses,' Six vears in the wilderness, totally out of my element because I'd left Hollywood and not yet rejoined New York, living eventually on a career grant of \$1,000 until the New York City Opera took me in.

Because I'd been a star in popular television, the opera establishment just wouldn't take me seriously, and that was at least one of the reasons why I came to London, where the conductors Simon Rattle and André Previn began to find me concert work. Another problem was that I ran into trouble with the Met without even working there. They offered me another Sportin' Life in their 1989 Porgy,' but they wouldn't offer me anything else beyond

that, and the money was insulting, so I turned the offer down. But maybe you shouldn't make enemies like that. Rightly or wrongly, I've felt

blacklisted by them ever since."

Evans decided that his future lay in Britain. and came back for the "Carmen Jones" which won him an Olivier Award nomination last year. "In New York for a while I couldn't get arrested, whereas in London I've only ever had two weeks out of work. Somehow my television past doesn't seem to be a problem here, although it's very difficult to give up a home and a culture. I hope not to lose it altogether. I want to continue my adult studies at the Manhattan School, and of course I

still have family ties in Baltimore.
"But I don't always want to be involved in ethnic projects. From London the whole of Europe opens up, and I've already started concert work in the Netherlands as well as a recording [with his 'Porgy' partner Willard White] of Tippett's 'Child of Our Times.' I lost a lot of time by going to California. Opera stars are meant to have made a major debut by the time they are 30, and I was at least five years behind. Bot now I just hope the door stays open at Covent Garden.'

In the meantime, writing in the annual Glyndebourne program, Evans has left us a remarkable definition of the importance of the current production:

" 'Porgy and Bess' will oever quite be the same again, for this is different from any American staged version. . . . Gone are the unconsciously racist minstrel-show traditions of American theater. Gone is the condescending question of whether 'Porgy' is an opera or not. Gone is any question of the true genius of George Gershwin. This British production of an American classic brings the opera to its full glory. 'Porgy and Bess' has finally come

PEOPLE

Serious Jackson Mania

Michael Jackson, in Bucharest for what is billed as the biggest-ever performance by a Western pop star in Romania, is giving the country's election stiff competition. State television alternated updates on the presidential and parliamentary election results with Michael Jackson look-alike contests and music videos. Campaign posters of President los Diescu and his rivals appeared to fade next to the ubiquitous Jackson

placards. Shops offered Jackson T-shirts, and a 9meter (30-foot) replica of the "Dangerous" alcover hum adorned the Intercontinental Hotel. where Jacksoo's staff is staying. About 22,000 police and security guards will be oo haod Thursday for the concert at the 62,000-seat National Stadium. All concert proceeds are to benefit 100,000 Romanian or-

associated with Dracula.

ship. They were spotted in public together for the second time since their well-publicized marital spat last summer and "looked like lovestruck teenagers as they constantly hugged and kissed" during a concert by the country singer Dwight Yoakam, The Sun newspaper reported in London.

Ken Burns, the producer and director of the documentary series "The Civil War," will make a film on Thomas Jefferson in conjunction with the 250th celebration of Jefferson's birth on April 13, 1743. "My central question always is: "Who are we as a people?" Burns said. "That question informs every film I make, and if there is one individual who answers it, it would be Jefferson."

George Burns is already planning his 100th birthday — on Jan. 20, 1996. Said the comedian from Los Angeles: "I'm booked to play the Palladium in London when I'm 100, and I hope the Palladium is still there. I know I will be."

He'll also donate 3,826 hectars surrounding the estate for use as a national park.

Margaret Thatcher, in yet another role change, has been formally invested as chancellor of the University of Buckingham.

to turn off bath taps at Bucking-

An absent-minded valet forgot



phans. Jackson President Ion Iliescu and Michael Jackson

with orphans and tour the castles ham Palace and sent water cascading through the building. The pal-ace confirmed the mishap but Mick Jagger and Jerry Hall are keeping the rumor mills running would cost £15,000 (\$26,000). The water poured from the apartments the mishap but denied a report that the repairs would cost £15,000 (\$26,000). The water poured from the spartments of Prince Edward and sceped of Prince course and scepen through three floors, damaging fur-nishings and wiring. The prince has an iron bathtub dating from Queen Victoria's reign.

> President George Bush and Governor Bill Clinton may have more in
> common than just a desire to occupy the Oval Office—they may be
> related. Harold Brooks-Baker, publisher of Burke's Peerage, says researchers discovered the two men had ancestors in the English village of Gotham. "In small towns in England several hundreds of years ago . . . every person was relat-ed. Brooks-Baker said. But he admitted the family ties were more a matter of deduction than based on documentary evidence.

Greece's former King Constant time is transferring about 20 heet-ares (50 acres) of land around his forested Tatoi estate to the state to help settle \$3 million in back taxes. He'll also donate 3,826 hectares

See page 14 INTERNATIONAL RECRUITMENT

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Desetus can be exported from the country.

Currency: \$1 equals 99 pesetas. Neighborhoods: Madrid extends ontward from the central Puerta del Sul To the west are the Royal Palace and the Opera House, to

the south the 18th-century Bourbon quarter. To the east, the Paseo del Prado runs from the Plaza Emperador Carlos 1', near the Reina Sofia modern art museum. up past the Botanical Gardens, the Prado and the Thyssen-Bornemisza collection. The neu Casa de America is near the Retiro Park. To the north is the financial center, with its charming mix of bisioric and modern architecture

Frankfurt

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purchases by baving their receipts stamped at

Customs. Currency: \$1 equals 1.4 Deutsche marks.



Neighborhoods: Frankfurt's main train station, the Haupthahnhof, is in the western part of the city center. Münchnerstrasse links it to the Romerplatz neighborhood, in

which are found the city ball, the Gothic cathedral and the restored remnants of the medieval city. Nearby is the Hauptwache district, where the stock exchange, banks. chambers of commerce and department stores are located. The trade fair center, or Messe Frankfurt, is northwest of the train station. The Burostadt, a high-rise office park, is on the south side of the Main river.

CALENDAR

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